

News Summary

GENERAL

Falcon blasts off with song

The strains of the U.S. Air Force anthem, "Wild Blue Yonder," played over their on-board tape recorder, Astronauts Scott and Jim Irwin floated smoothly off the moon tonight in their ferry ship Falcon and an hour later were docked with the orbiting ship Endeavour.

Typical of the coolness with which the whole mission has been conducted was the calm, quiescent exchange with ground control as Falcon appeared from radio "silence" in the back of the moon.

Mr. Houston: "We monitored at lift-off and can confirm lift-off." Said Scott: "It's good to know... the first time, the moon took off was televised, from the era on the abandoned moon."

ENGINE FLASH

Viewers saw the flash of the engine firing, a cloud of dust and smoke, and Falcon vaulted up its spidery bottom stage, 100th lift-off Scott reported, heart-beat at a calm 74. The crew had spent three days in the moon and had with them endless cargo of rocks of innumerable value to science.

Before leaving they demonstrated the law of gravity by simultaneously dropping a hammer and a feather and caught 20 cent postage stamps as Falcon "hard docked" Endeavour, command pilot Worden said simply: "Well-home."

"It's been great," said Scott as the mission came to its triumphant conclusion in history.

S. accepts aid for UN

United States will vote for admission of China to the General Assembly this year, says State Department. But it will see any action to expel as an act of aggression.

Meanwhile, Sir Alec Douglas-Home told MPs yesterday he did very much like to visit a country at a time convenient to two countries. Page 8.

More Rhodesia links likely

D. GOODMAN may visit Rhodesia again in a new attempt to bridge the gap on the terms ending the five-year-old Union. The chances of a Rhodesian Ministers over the few weeks are extremely slim. Page 6.

dyguard for vies

For Trade and Industry John Davies, whose London office was bombed at the weekend, has been given a 24-hour bodyguard. Security for Ministers is being stepped up. Page 6.

st £50,000 and prize

A first £50,000 Premium prize was not at home in the lottery yesterday. £146,645 will be notified by a plain envelope.

efly...

Dean of Johannesburg, Rev. Gonville French, pleaded not guilty when tried in Johannesburg for charges of sedition. Page 8.

atives are guarding the 75 home of Oz trial judge Mr. Argyle after a bomb attack. Page 8.

al scenes were cut from the film of Andy Warhol's "The Last Days of America" to avoid a police raid on the Roundhouse Theatre. The opinion was that the film was amusing in places. Page 9.

ent Nimairi of the Sudan, ordered a Russian and German diplomat to leave. Page 9.

2 American charter passengers stranded at Heathrow have left. Page 9.

PRICE CHANGES

(in pence unless otherwise indicated)

RISERS	
Fidelity	67 + 12
Food	140 + 13
Freddie	82 + 5
Brook	140 + 11
Stewart	90 + 18
Comber	80 + 9
Ed (A. B.)	155 + 21

BUSINESS

Rail and steel aids for Wall St.

● **WALL STREET'S** index ended 6.49 up at 864.92.

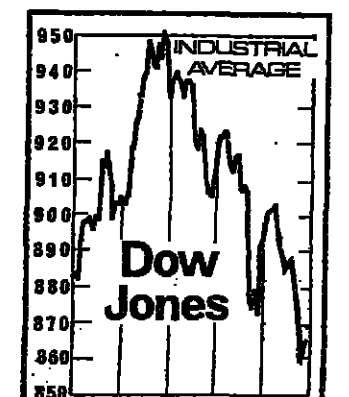
● **LONDON EQUITIES** were depressed by small selling but buyers came in on the better U.S. labour news and Wall Street's rally. The FT index fell to 395.4 but ended a net 4.3 down at 397.2.

● **THE £ fell 1/2c to \$2.41** on a stronger demand for Euro-dollar deposits. The dollar was firm also in Continental centres.

● **GOLD** lost 10c at \$42.45.

● **U.S. TREASURY BILL** rates fell. Three months rate was estimated at 5.29 per cent. (5.554), sixes at 5.64 (5.833).

● **WALL STREET**, heartened by the rail and steel pay settlements, staged a rally which took the Dow Jones index up eight points though it closed a net 6.49 down.



up at 864.92. Volume was on the light side at 11.87m. Hopes of a Senate "yes" for the Lockheed loan guarantees helped the upturn. When the news came in trading in Lockheed stock was suspended for the rest of the session. By then the stock was up at 111; in markets further west it reached 113.

● **BOTH RAIL AND STEEL** disputes in the U.S. have ended. The rail settlement, announced by the Labor Department, included an agreement on work rule changes on lines suggested by a White House emergency Board some months ago, it was stated. Cost of averting a steel strike is a pay package to give 30 per cent more over three years with a cost-of-living escalator—about the same as settlements in the aluminium industry announced an 8 per cent price rise. Pages 5 and 14.

● **GENERAL MOTORS** (of the U.S.) is to raise \$70m. on the Eurodollar market this month—\$30m. of five-year Notes and \$40m. of 15-year debentures. And TRW of Ohio plans an offer of \$20m. guaranteed debentures. Page 18.

● **BUNDESBANK SALES** of dollars totalled about \$100m. in Frankfurt between DM3.460m. and DM3.460m. The dollar's firmness was partly due to a feeling that the D-Mark would not be allowed to strengthen much further before being officially revalued.

Avionics 400 lose jobs

● **400 SKILLED EMPLOYEES** of Elliott Flight Automation at Rochester, avionics subsidiary of General Electric, are to be dismissed in a few weeks' time. Delay in placing of contracts for the MRCA is believed to be one of the factors. Back Page.

● **THOUGH MOTOR OUTPUT** in June was the biggest for a year and, at 17,735 cars and commercial vehicles, 20,000 more than in May, the weekly average was some 35,000 against May's 38,000. The June car total for the home market was 100,443 against May's 88,407. Back Page.

● **NEW-CAR BP AND CREDIT** sales in July were fractionally above June's and 5 per cent. up on July, 1970. But personal sales are not included. Back Page.

Godfrey	25 + 4	IOS Man.	93 - 5
Longmore Bros.	155 + 25	Metal Box	360 - 8
Freddie (A.)	60 + 8	Miles Redfern	112 - 8
Saville Gordon	66 + 9	Mining Supplies	150 - 16
Sterling Guarantee	279 + 9	Net Westminster	357 - 15
Wearra Shoes	34 + 6	Stagwood (Robt.)	70 - 8
Lonrho	89 + 6	Swan Hunter	30 - 5
FALLS		Taylor Woodrow	295 - 7
BSA	341 - 12	Trust Houses Forte	119 - 6
Barclays Bank	567 - 20	Turriff Constr.	40 - 11
Byland Distillers	36 - 14	Burnham	442 - 8
Curzon House	418 - 11	Charter Const.	248 - 8
US	31 - 11	CAST	223 - 11
Greenwood & Batley	31 - 11	East Dria.	154 - 6
Hunting & Gibson	162 - 6	Gold Mines Kalgoolie	18 - 7

It's good news for the RB-211

One vote saves the Lockheed TriStar

BY GUY DE JONQUIERES

WASHINGTON, August 2.

The Lockheed Aircraft Corporation was saved from the threat of bankruptcy today when the U.S. Senate approved by a margin of one vote legislation to provide the company with a \$250m. loan guarantee. The legislation, whose outcome had been in doubt right up to the last minute, was passed by 49 votes to 48.

The Senate's decision unlocks the door to the additional financing which Lockheed says it needs to continue its L-1011 TriStar programme and without which both Lockheed executives and the Administration have said that it would have been forced into receivership.

Approval of the guarantee is a considerable victory for the Administration and is extremely welcome news for the British Government, which has been financing on an interim basis the development of the Rolls-Royce RB-211 engine which is to power the TriStar. The Rolls-Royce contract contains a clause providing for the abrogation of Britain's responsibilities if Congress did not act by August 8.

The Bill passed by the Senate is identical to one approved by the House of Representatives on Friday. There will be no need for a joint House-Senate conference.

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and the legislation can be sent direct to the White House to be signed by President Nixon.

Once this has been done, Lockheed's banks can advance the company a further \$250m. beyond the \$400m. it already owes. At the same time, the company will set about finalising its contracts with Rolls-Royce for the purchase of the RB-211 engine, and with its airlines customers for the purchase of the TriStars on order.

U.K. relief

John Bourne, Lobby Editor, writes: The news of the one-vote majority in Congress came as an immense relief to the British Government, which is now certain to give the go-ahead to the RB-211 engine once the necessary contract formalities have been completed.

If the vote had gone the other way, the cabinet would have been confronted with the prospect of the collapse of Lockheed, and therefore of the engine, and the redundancy of up to 21,000 Rolls-Royce workers. Several thousands of these would have been in the Rolls-Royce Glasgow plant, and the political, economic and social problems already facing the Government as a result of the Upper Clyde Shipbuilders' affair.

Mr. Walter Johnson, Labour MP for Derby, South, said last night that the loan has gone through Congress and that the jobs at Rolls-Royce are secure at least for some months to come. The last six months have been one long nightmare with

the prospects changing daily. The 15,000 RB-211 workers in Derby alone will sleep more easily, although it is still necessary to get additional firm orders for TriStar to safeguard the future.

"We must never be in the position again where we have to rely on another country controlling the destiny of thousands of British workers—even a friendly country like the U.S."

Ray...Dafter writes: The Senate decision will come as a relief also to the hundreds of suppliers and sub-contractors in Britain and abroad and the unsecured creditors of the old Rolls-Royce company which collapsed in February.

These unsecured creditors have been told they might receive in excess of 50p in the pound provided the RB-211 contracts go through. If Lockheed and the engine contracts had collapsed, the amount would have been greatly reduced.

The likely go-ahead for the engine programme means that the jobs of 12,000 to 18,000 Rolls-Royce workers and several thousand outside jobs which were in the balance have been assured. About 10,000 of the 73,000 labour force engaged in the turbine engine business of the old Rolls-Royce company have already been made redundant.

About £130m. has so far been spent on the engine of which £53m. was provided by Rolls-Royce, £47m. by the Labour Government and £30m. by the present Government. The last £30m. was intended to take development work up to August 8

when the Government promised to review the project in the light of the American legislature's decision on Lockheed.

It is anticipated that about £100m. has still to be injected by the Government—money which will be used for further development work and to meet the £30m. net loss on production of the first 555 engines after allowing for the higher price per engine Lockheed is paying.

The price that Lockheed has agreed to pay for the engine is \$2.99m. for a "ship set" of three engines for each aircraft. This is \$548,776 more than the original contract price for three engines.

In spite of the considerable doubts surrounding the whole TriStar and RB-211 projects in the past six months, development work at the Derby works of Rolls-Royce (1971), as well as company factories near Glasgow, has proceeded virtually normally.

Deliveries

About 20 engines have been delivered to Lockheed. Rolls-Royce (1971) said yesterday that by the end of the year, assuming favourable conditions, some 60 engines will have been built.

As anticipated, work on production engines is now being phased into the programme. The first of these will go into the TriStars which are due to be introduced into service by Eastern and TWA next April.

Some 6,500 hours of testing time for the engines has been amassed, of which about 1,100 hours have been in the air.

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Deliveries

Two directors resign as...

Cunard Board accepts higher Trafalgar bid

BY SANDY McLAHLAN

TRAFALGAR House Investments has added £13m. to the value of its Cunard offer, and has won acceptance of the majority of the Cunard Board. But Mr. Maxwell Joseph and Mr. Donald Forrester, openly opposed to the previous Trafalgar terms, voted against acceptance of the new offer at a Cunard Board meeting yesterday afternoon, and both resigned their directorships when the rest of the Board came down in favour of the higher bid.

In response to further information from the Cunard chairman, Sir Basil Smallpeice, Trafalgar House decided to add 10p a share in cash to its basic share and loan stock offer bringing it up to almost 210p a share. This values the Cunard equity at £27.5m., and in addition Trafalgar is going ahead with its £2m. offer for the two classes of Cunard Preference capital.

“Not enough”

Asked last night whether he would continue his opposition to the Trafalgar offer from outside the Boardroom, Mr. Joseph said: “I don't know. I will be seeing Mr. Forrester during the next 48 hours to discuss the situation.” Mr. Joseph said that he and Mr. Forrester voted against the revised offer because they felt it was still not high enough.

Mr. Forrester, who rejoined the Cunard Board less than two weeks ago at the request of other Cunard directors, said yesterday: “I am prepared to battle on against this bid.”

However, Mr. Forrester made it clear that he was acting as a private shareholder, and that small shareholders should not necessarily follow his lead. He added that in spite of the recommendation of the bid by the chairman he was confident that he could still rally between 30

per cent. and 40 per cent. of the votes against the bid, but said that he had not yet made up his mind whether to try and muster small shareholders in opposition.

35% stake

In spite of Mr. Forrester's confidence, the recommendation of the bid by the Board and its advisers, S. G. Warburg, must virtually seal the issue in Trafalgar's favour. Market buying has raised Trafalgar's stake in Cunard to around 27 per cent., and shares in friendly hands bring this figure to around 35 per cent. Mr. Joseph and Mr. Forrester probably control some 5 per cent. of the equity between them.

Mr. Victor Matthews, Trafalgar's managing director, yesterday described the agreed bid as “a very satisfactory situation.” He added: “I am quite

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Management education

Sir—Michael Dixon ("Management Education is Buggy", *Financial Times*, July 23) is emphatically right, we feel, in hammering his conclusion that British management education is badly managed, and also right to direct attention to this crucial, first order condition.

Having defined the right problem, however, Mr. Dixon proposes the wrong solution. Most of his argument seems to rest on the assumption that there must necessarily be some sort of monolithic chain of command in the structure of management education institutions, led by some single, powerful, prestigious and wise (PP and W) agency. Given the comparative youth of the field surely it can be argued that progress and achievement will much more certainly result from a diversity of structures, institutions and approaches? Anyway, who would we appoint to the board of the PP and W agency? Solomon and Socrates are no longer available. Philosopher kings seem to be in short supply in the 1970s. Solutions to the problems of management education lie elsewhere.

W. R. McLennan,
J. C. Dodds,
University of Sheffield,
Sheffield, S10.

The Companies Acts

Sir—In a recent article you described how firms make nonsense of the Companies Act, and described the plight of the officials "upstairs" at Companies House trying to deal with the problem. To one who can claim to be a frequenter of the search room, the solution seems to be blindingly obvious, given willingness to amend the Companies Act. Let that certificate of incorporation be valid for 18 months only, and allow the issue of subsequent certificates with validity of 12 months to be made only when all returns are in order. Make all directors jointly and severally responsible for all the liabilities of a company trading without a valid certificate. In a short letter I cannot hope to suggest all the necessary clauses, but these two points would ensure that you did not have fifty people wasting their lives on work which I can confirm from experience is useless.

Just in case any reader takes it into his head to complain about the difficulty of getting information about Swiss companies, may I say that whilst I am sure I could more easily obtain the Minutes of the Polihuro meeting held in the Kremlin last Thursday evening than the list of shareholders in a nearby factory,

I must say that is the consequence of the law in Switzerland. What I am suggesting is how you could procure observance of the British law.

I cannot end this letter without paying sincere tribute to all the staff "downstairs" at Companies House, who unfailingly deal courteously and most patiently with all enquiries alike, from "old-timers" like myself to country bumpkins up for the day to find out who it is perhaps, who really owns them money, and haven't a clue as to how they should go about it. Would that all Civil Servants were so civil, and so willing to serve the public.

P. L. Stavenhagen,
17, Chemin des Oiseaux,
1196 Gland, Switzerland.

Industrial relations

Sir—Mr. Roy Holton's interesting letter (July 19) illustrates one of the most important aspects of managerial authority in organisation; namely that it is never absolute. It will always depend on the approval or at least tolerance of the subordinates concerned. If they are not prepared to accept the authority they have the power to render it null and void. For instance, they can leave the organisation individually, or collectively they can withdraw their labour.

Managers who consider that they can rule by divine right will sooner or later learn the truth of the above statement perhaps in a traumatic fashion.

W. T. Southgate,
Tippings,
Stokenchurch, Bucks.

A change of address

Sir—I have recently moved from London to Cornwall and therefore I have been going through the process of notifying as many people as possible of my change of address.

With a desire to be as helpful as possible to the companies making up my small portfolio of investments I sent one of the cards I had had printed to each company with written alterations where appropriate.

The reaction was most interesting and I have been wondering how much effort and expense is wasted in this direction in view of the many people that are moving house every day.

Most of the companies in my case did not reply and this I consider reasonable enough providing all future communications go to the correct address.

Brief, and to the point,

acknowledgements were received from Hill Samuel and Co. in respect of two of their companies and similar notes were received from Whitcroft Ltd. and Swan Hunter.

The worst performers were the Bank of England, Barclays Bank Trust Co. and Imperial Tobacco all of whom sent me affidavit-like documents requiring my signature. Fortunately a witness was necessary.

On returning these, back came a further letter stating the details had been duly noted, thus, it took three letters to establish my change of address.

I give full marks to Glaxo who evidently sent a small slip with the latest dividend warrant stating they were acting on the change of address I had given them. But that is what a yield of 1.8 per cent and p/e of 20.6 is all about.

It would seem that some companies have profited from the postal strike of last winter.

Incidentally, I always prefer to receive dividends direct as experience has taught me to distrust computers.

Lettingtingest,
Barlow Meadows,
Pelym, Looe.

Inventory management

Sir—I refer to recent correspondence in your columns under the heading "Inventory Management" (July 23) are rather too rigorously compartmentalised. I suggest, to enable a company to reap maximum benefit from a study of inventory policy, while Mr. N. J. Bennett (July 30) correctly defines inventory as part of a wider process of business management but limits the scope to materials management.

The study of inventory, however, is an integral aspect of a much broader field of management, namely business logistics—this can be defined as the physical flow of raw materials and finished goods, or more fully, the process by which a company attempts to integrate its materials management and physical distribution management activities in such a way that customer service levels are met at minimum cost (in practice, this is often a more realistic approach than attempting to design a logistics system to maximise profit, because of the enormous problems associated with measuring the service elasticity of demand). The emphasis, therefore, is on the management of the movement function, whether in terms of materials or finished goods, within a systems perspective.

Logically, inventory then becomes only a part of this total process, though I would agree with both Mr. Morton and Mr. Bennett that it is of crucial importance as an activity in itself.

Of greater importance, however, is the need to recognise the role of inventory management in relation to the other elements of the logistics system—inventory control cannot be isolated from transportation, warehouse management, order processing, materials handling, packaging, distribution communications and vendor analysis. For example, if a company increases its warehousing facilities, total inventory may increase (via a rise in safety stock requirements), administration costs may increase, but transportation costs may decline as the consequence of greater bulk movement opportunities. Costs should be traded off against one another within the context of the logistics system concept.

We should therefore talk not in terms of inventory management as an area for potential cost savings, but rather in terms of logistics or physical distribution management—Peter Drucker's definition of physical distribution as "the economy dark continent" is as valid to-day as it was in 1962.

Graham Buxton,
1, Fairfield View,
Scotland Lane, Horsforth,
Near Leeds, Yorks.

Causes of inflation

Sir—It is interesting to note the motivation behind the recent CBI scheme for price restraint. Briefly, the idea seems to be to hold prices, and therefore people will moderate their wage claims. Following on from this will be a reduction in the rate of inflation. Although I am not an economist, I would think that the hypothesis that increasing wage claims are one of the causes of inflation is reasonably correct. The hypothesis that these wage claims are made simply because of rising living costs, I would think, not so accurate. What they are really caused by is a long story, but one which involves people's expectation of increasing consumption, reduction in the satisfaction provided by jobs, and the exploitation of a passive majority by a few powerful interests.

I don't condemn the CBI here for having a go at solving our economic ills, but I think they condemn themselves to failure by trying to cure the symptoms and not the cause. If they were to think in much wider terms, about what people want from their jobs and how this fits in with the rest of their lives

then I think they could not only begin to solve the economic ills of our society, but might solve also the social ones. This is a tall order, but it seems to me that merely restraining price increases will not remove the real causes of inflation.

D. E. Wood,
12, Lanesman Court,
Broomfield Road, Essex.

The description of meat

Sir—In view of changes in farming methods, has not the time come for more frankness in the way in which meat is sold to the public? May we not be told whether beasts were reared on grass, or in a factory farm? "Scottish" and "English" "New Zealand" is patently information nowadays. I admit that there is nothing new in muton dressed up as lamb, or in the description of all poultry as chicken, but in addition to the fact that the public should always have been given about the age and sex of animals there is now reason for wanting to know about the method of rearing and feeding.

Barnard farming (with calves not allowed to sit down, hens unable to stand up, and boring diets) was never likely to give us tasty food. If butchers would identify their wares, we should soon see how much demand there is for the products of intensive or indoor methods.

I should hate to think that the public is so resigned to false statements (that is "farm" eggs, "fresh" eggs, "free range" eggs) that it sees no point in asking for facts which relate to new methods.

At one time we mainly needed to know the part of the animal from which the cut was taken. This is now insufficient: what is prime beef?

Harold Bearson,
Managing Director,
Beacon Canteen,
3, Milton Street, Sheffield.

Tour operators

Sir—I enter the argument relating to the air tour business as I had practical experience both in the U.S. and the U.K. where I was a director of a small but successful operation, serving hundreds of thousands of holiday-makers to sundry beaches of Europe.

The fact that officially 99 per cent have no complaints is, of course, a valueless statistic. A large proportion of these travellers were unsophisticated individuals making their first visit to a foreign land, living in a state of euphoria and a com-

plete delight to any confidence trickster who might wish to sell shoddy wares. Maybe the net result will ultimately be of benefit to the individual who learns to be "choosy", and to the good travel agent who cares for his clients.

Meanwhile, the whole business is riddled from top to toe with misrepresentation, anachronisms and stupidities, and the various international bodies so far have proved completely inept in dealing with them.

Kenneth A. Wagg,
38, Warwick Avenue,
London, W.9.

London fare increase

Sir—Can someone answer a simple question. Regarding London Transport's latest fare increase, why will it cost 20 per cent more to travel on a one-man bus than on one manned by two men? This seems to be economics gone mad again.

L. W. Parker,
66, Highview Gardens, Edgware.

Local income tax

Sir—I am sure that many ratepayers will agree. In the recent issue of your paper, July 29, wherein you deplore the lack of any sensible or fundamental reform as a recommendation under the recent inquiry concerning local government finance.

The present system of raising local funds largely from the pockets of householders is an archaic anachronism and a most unfair imposition. To give but one illustration, this one needs to look no further than almost any street where in similar and adjacent houses one will find in the one house maybe a widow on a small fixed income and in the other a considerable number of older and wage earners whose total income may be many times greater. Where is the justice of such a system? No rate rebate system can fairly adjust the position.

Moreover, the great proportion of local voters are not the slightest interested in local finance and expenditure. Why should they be when they disburse nothing directly? Can one wonder that on average only three persons in ten trouble to vote in local elections. This is a situation about which various Governments have from time to time expressed concern and I suggest that it is mainly caused by the above position. Let them

use common sense and deal with this matter in an equitable manner by introducing a local income-tax.

H. C. Wilkins,
38, Burstead Road,
St. Ives, Cambridgeshire.

Savings on labour

Sir—I hope that I am merely one of many to point out the elementary error in Mr. Cook's letter (July 29th).

The cost of an employee includes various social security and fiscal charges. In the EEC countries this cost can be 40 per cent of the employee's basic remuneration, so that a cost of £2,500 might relate to earnings of only £1,800. We all know that average EEC earnings are higher than ours, but then so is the average standard of living, thanks to higher productivity and economic growth.

When a British Chairman is unable to distinguish between labour costs and earnings—or, to make an anti-market argument, assumes that his readers cannot—we see the depth of our industrial problems. We also, perhaps, see the Management Education debate in a new perspective.

D. G. Millar,
110 Maidenhead Road,
Stratford-on-Avon.

Simplifying the post

Sir—Why could not the present two tier postal system be simplified along the following lines?

Effectively the two class system would disappear and a surcharge would be paid on letters collected from boxes after say 3 p.m. if it is desired that they get same day treatment. Thus all letters posted before 3 p.m. would be treated equally. After 3 p.m. only letters paying the first class rate of 3p would be dealt with; any letters paying 2p would be dealt with the next morning.

1. Instead of sorting the post into eight frames for EC 1, 2, 3, 4 First Class and EC 1 to 4 Second Class it would only need to be sorted into four frames EC 1 to 4, and after 3 p.m. have a general pile for all Second Class mail to be dealt with the next morning (unless there is spare capacity).

This cuts out the business of having to differentiate between the classes when sorting.

2. All mail will be carried and delivered together, with a duplication in the first and second class mailbags, to a same destination.

3. There is thus an added incentive to post early in the day and spread the load more fully and therefore more economically, which the Post Office has for years been urging us to do.

H. U. D. Vercy,
22, Hiltgate Street, W8.

Decimal coins

Sir—M. R. Evans (July 31) is in effect suggesting the introduction of a crown piece which was never popular with the public, though the small size of his suggested new coin might make it so. Similar objections apply to the proposed 3 coin; the double florin was very popular and had to be withdrawn.

Once a decision had been made in favour of decimalisation, the Decimal Currency Board were right to introduce the 50p coin in place of the 10s note. The coin is more durable, and less easy to lose. Nevertheless the fact must be faced that it is not popular. It might seem to follow from this, and from the public's general antipathy to the new currency, that all newly introduced coins are unpopular. The one exception to this rule seems to have been the guinea, first struck in 1663 with the nominal value of 20s. It was such an attractive coin that it changed hands at premium and by 1717 was legal tender for 21s. It might be argued that the fact that the guinea had some intrinsic value being made of gold, was a plus in its favour, but if the over-riding factor was its design, the really well-designed coin whether of 20p or of 25p, might be the answer, whatever decision is made on the 50p coin.

G. Chowdhary-Bost,
174, Clay Hill Road,
Basildon, Essex.

Wall Street blues

Sir—The final paragraph of your July 31 editorial, "Investment in the future", is quite enough to remind investors that the future is always uncertain and economic future more uncertain still, "contains the trust we yet utter in your journal". The reason for this state is that what is one vast market now, is a vast market tomorrow, we see, and getting worse from day to day.

M. Mitchell,
20, Manor View,
Finchley, N.3.

TV Radio

*Indicates programme in black and white.

BBC 1

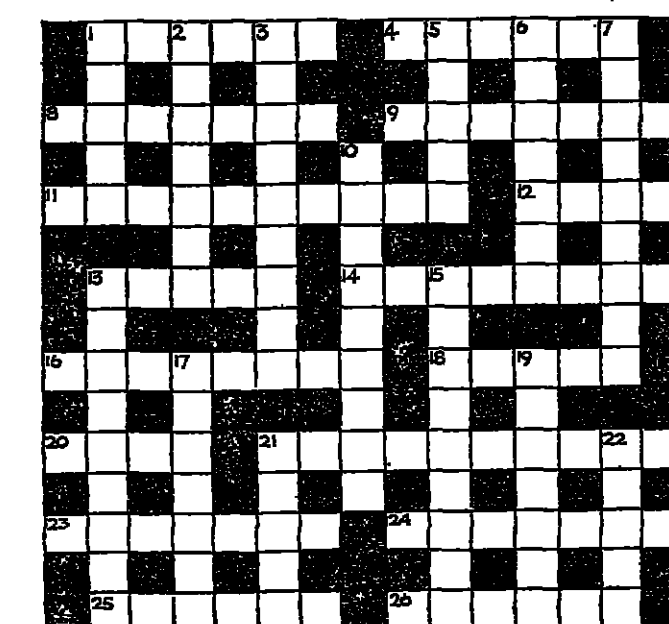
12.00 Cricket: Yorkshire v Lancashire. 1.30 p.m. Watch with Mother. 1.55 News. 1.55 Reddell 71: National Election report. 2.23 Interval. 2.30 National Election report. The Crown Ceremony. 3.00 Cricket: Yorkshire v Lancashire. 4.15 Interval. 4.25 Play School. 4.40 Jackanory. 4.45 The Best of Vision On. 5.20 The Flashing Blade. 5.44 Abbott and Costello. 5.50 News. 6.00 Nationwide.

6.20 Charlie Chaplin. 6.45 What's the Sense? 7.05 2 Cars. 7.30 Tom and Jerry. 7.35 Pop Go the Movies: "What a Crazy World", starring Joe Brown, Susan Maughan, Marty Wilde with Harry H. Corbett. 9.00 Nine O'clock News. 9.20 Just Let Them Notes Come Out Right. Tuesday's Documentary: Louis Armstrong an extraordinary career. 10.10 My World... and Welcome to It. 10.35 Points of View.

10.40 24 Hours. All Regions as BBC 1 except at the following times: Wales—2.30-3.30 p.m. Elsteddof Genedlaethol Frenhinol Cymru Bannor: Crownin Ceremony. 3.30 Joins BBC 1 Cricket. 5.30-5.44 Teleview. 6.00-6.20 Wales To Go. 6.20-6.45 Television Top of the Form. 6.45-7.00 Tom and Jerry. 7.00-7.05 Newyddion. 10.10-10.40 Reddell 71: National Election report. Scotland—6.00-6.20 p.m. Reporting Scotland. 10.10-10.40 As London network. 11.15 Scottish Viewpoint. 11.17 Scottish News Headlines. Northern Ireland—6.00-6.20 p.m. Scene Around Six. 10.10-10.40 Our Town: Omagh. 11.17 p.m. Northern Ireland News Headlines.

England—6.00-6.20 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South (from Southampton); Spotlight South West (from Plymouth). 10.10-10.40 North (from Leeds) Twenty to the Dozen; North West (from Manchester); The Fall Collection; North East (from Newcastle); "Bean's Boots"—Cleveland Coast; Midlands (from Birmingham); Contact: East Anglia (from Norwich); Contact: West (from Bristol); Harbour Days: Bridgewater; South (from Southampton); 10.10-10.35 The Enthusiast: Patrick Moore, 10.35-10.40 Celia Jefferys: Stars South for a Summer Night; South West (from Plymouth); Peninsula. 11.17 Regional News Headlines.

F.T. CROSSWORD PUZZLE NO. 1,635



- ACROSS
- Church get in colour (6)
 - Figures it is in lodgings (6)
 - Learn a means of escape into religious community (7)
 - After a moment Leslie causes amusement (7)
 - A good man with skill once more back to square one (5, 5)
 - Food from the east (4)
 - It's back first to the composer (5)
 - What Matilda did without such dreadful addition (4, 4)
 - Yearly loan from Rome (3, 5)
 - "We were purchased by" (A.O.V.) (9)
 - The road itself hides the way in (4)
 - Equip the old fellow for the crunch (10)
 - Sounds as if fruit is intended but that is an illusion (7)
 - In this way flowers make the women's clubs (7)
 - Sounds a county rider (6)
 - 18 gets on without one in college (6)
- DOWN
- Don't put it off till June (5)
 - Respects always found among the engineers (7)
 - ENSA is not the source of the melodramatic (9)
 - One horse destroyed what was produced by one lion (5)
 - Where the schoolboy takes a dip (7)
 - First course follows last in confectionery (9)
 - Face order in time for the Christmas show (9)
 - After tea read the philosopher—It's routine drudgery (9)
 - A fruitful avenue for television (4, 5)
 - O wild West Wind, thou breath of being (Shelley) (7)
 - British soldier with a Russian cover (7)
 - She's told to get a shooter on stage (5)
 - Early music-hall? (5)

SOLUTION TO PUZZLE NO. 1,634

ACROSS
1. CHURCH
2. FIGURES
3. LEARN
4. LESLIE
5. SQUARE
6. FOOD
7. BACK
8. MATILDA
9. YEARLY
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Radio 3

The Tsar's Bride

by ANDREW PORTER

All the severe things that have been said about Rimsky-Korsakov are possibly true. The man, manufactured one long opera after another in quick succession, though he was "not a true dramatic composer at all" (Gerald Abraham), "not essentially an opera composer at all" (Wilfrid Mellers). And yet, and yet... I am not the only person I know who listens enthralled to these long operas, not just captivated by the mastery of instrumentation, the freedom of flow and facility (what Mellers calls "slick fatuity") of Rimsky's music, but also finding in it again and again, that "heart" which his critics will not allow him to have.

In Russia many of his operas (including *The Tsar's Bride*) remain constantly in the repertoire. In Italy, performances turn up quite often. Here, since the war, we have had an occasional *Snow Maiden* at Sadler's Wells, an occasional *Golden Zerkow* at Covent Garden, but otherwise have had to look to the gramophone and to the BBC.

The Tsar's Bride, broadcast on Sunday afternoon, was welcome. Rimsky was not just a composer of magic fairytales. *The Tsar's Bride* is the second of his three operas based on plays by L. A. Mey. The action is set two years after that of *The Maid of Pskov*, in 1572, one character turns up in both operas, the Tsar's physician Bonelius (a bass in the earlier piece, now a tenor); so, in a sense, does Ivan the Terrible himself, though in *The Tsar's Bride* he does not sing, but merely passes across the stage on horseback, observing the beautiful Martha with burning eyes. Martha, betrothed to Ivan, the tenor, and desired by Gryznoy, the baritone, is chosen at the end of Act 3 to be the Tsar's bride, but this is not the main matter of the action. Gryznoy plans to win Martha's love by means of a love-poison, and his jealous mistress Lyubasha substitutes, for that poison, a subtle poison.

The famous scenes, familiar to record-collectors, are Martha's recollections of her happy childhood with Ivan (which Ernest Lewman once described as "one of the purest and profoundest expressions of pure musical ecstasy in the whole of music"), and her mad scene. Abraham peaks rightly of "pure musical ecstasy." Marie Hayward, the BBC's heroine, was not exactly

a Nezhdanova, but her singing, especially in the mad scene, was clear, full, and shapely of line. Delmar, as Ivan, was grand and imposing as Gryznoy; one felt he might make a notable Prince Igor. David Hillman was a romantic Ivan, though his music lacks specific character.

The powerful dramatic music, apart from Gryznoy's aria at the start and his confession at the close, belongs to Lyubasha; and of this role Patricia Kern gave a thrilling, passionate performance. First, she has a song (quite unaccompanied, a long melancholy piece, rising to a climax which Miss Kern delivered with glowing intensity. It tones to suggest that, if Miss Veasey and Miss Baker were both ill, we should still have someone well able to sing Dido in *The Trojans*.

The duet with Gryznoy which closes the act, and includes a long solo outburst for Lyubasha, was equally thrilling. When it was done I seized the telephone, to make sure that friends were not missing the splendour of Miss Kern's performance. Act 2 Lyubasha has another splendid scene, a conversation with the pharmacist who for his poison demands a shameful price that she agrees to pay only when she hears her rival's husband laughing ringing out. Lyubasha is not as great and profound of the same passion and intensity about her. However, could Mr. Abraham dismiss most of the music of *The Tsar's Bride* as insipid?

A strong cast further included Gregory Dempsey, Georgetta Psaros and Don Garrard. It was a recording of a "live" performance, given before an invited audience in the Camden Theatre; and a "live" performance indeed as conducted by David Lloyd-Jones, with some beautiful playing from the BBC Concert Orchestra. Special praise to the studio engineers—whose excellence we tend to take for granted—for an unusually beautiful, spacious and well-balanced recording. Can we hope for *Servant* one day? More recordings of this opera, with some beautiful playing from the BBC Concert Orchestra. Special praise to the studio engineers—whose excellence we tend to take for granted—for an unusually beautiful, spacious and well-balanced recording. Can we hope for *Servant* one day? More recordings of this opera, with some beautiful playing from the BBC Concert Orchestra.

Pavillon de Flore, Paris

Francois Boucher

by DENYSSUTTON, Editor of Apollo

One of the most interesting trends in the history of art is the revaluation of the eighteenth century which will be further stimulated when the major Council of Europe exhibition devoted to Neo-Classicism opens in London next year. On re-examination of the art of this period, it is not surprising that various artists and architects, too, are not as well known as they should be. In this respect the Italian School in some ways holds the centre of the stage and the show held earlier this year in the U.S. revealed the quality of many little-known artists.

Although we like to think that the main stars of the French School at this time are understood in depth, there is room for various revaluations. It is only relatively recently, in fact, that the significance of French sculpture has been grasped and some critics even consider that its contribution was more important than the rest of the painters.

Surprisingly, too, one of the major painters of the period, Francois Boucher (1703-70) is not now many years since an exhibition of his work was held. The authorities of the Louvre have done something to repair this omission by staging two exhibitions at the Pavillon de Flore which are drawn from their own resources. One consists of the large group of prints in the Edmond de Rothschild Collection, to which some drawings from the Cabinet des Dessins have been added; the other comprises the 27 paintings by this Master in the Louvre.

Although not every aspect of Boucher's protean activity is represented—his stage and ballet designs are absent—both shows pay agreeable homage to his genius. It goes without saying that this Master had the knack of finding a pleasing subject with an immediate appeal—beautiful women, which he appealed to Regency, fanciful Chinese subjects and refined and imaginative landscapes. But the exhibitions also stress that Boucher was an impressive designer, a brilliant and enchanting colourist and an observer of the contemporary scene.

In some ways Boucher has been the victim of his own subject-matter. His very position as the painter who, as the Concorde said, signified the taste of his time, has meant that some writers feel he was a casual artist. The opposite is true. Like so many painters of this age of splendid craftsmanship, he was most at home in the art of his predecessors than in his own. Since the researches of the late Hermann Voss it has become clear that he was indebted to the Dutch 17th-century painter, Bloemart, one of his etchings being a copy of this artist's studies in oil.

Yet there are gaps in our knowledge about his development—for instance, the results of his years in Rome. He had won a Prix de Rome when 20 but only went there in 1727, returning home in 1729. There seems to be little doubt that he owed something to Tiepolo but a close analysis of his work might establish connections with other artists. It has always to be remembered that Italian art played a decisive role in

France during the eighteenth century—Rosalba Carriera and Pellegrini worked in Paris and Fragonard was deeply influenced by Solimena and Castiglione and drew many copies after Italian masters. Nevertheless, as far as concerns decorative painting, a respectable tradition existed in France which included Simon Vouet and J. F. Lemoyne, under

ment d'Europe which was shown in the Salon of 1747 and acquired by Louis XV. It is a characteristic composition in which the elegance of the poses is complemented by the refinement of the colours. His skill as a designer and his ability to convey a lyrical life in his big works may be seen in the two marvellous paintings in the Wal-

Boucher was a painter of ravishing and gently toned landscapes "messages plus chéris que la poésie" as Théophile Gautier called them. In these pictures he succeeded, as did Bonnard, in recalling his experiences in that of Nature and turning them into dreamlike visions. They herald romanticism in a surprising way. He could



Les trois Grâces

whom Boucher worked as a young man. Unlike the Italian, however, Boucher did not have the opportunity to work on a grand scale in palaces or churches. All the same he did paint on a relatively large scale and executed many designs for tapestries. Since the Middle Ages, tapestries have been a substitute for mural painting in France. He must certainly be counted as one of the leading decorators of the age and his paintings are controlled by intelligence; he was an excellent planner. His skill in placing delicious nudes on banks of clouds that have voluptuous swell of waves is seen, for instance, in *Rénaud et Armide* which was his *meur de réception* at the Académie in 1734.

Boucher was to continue to paint pictures of this type over the years. One of the most beautiful of these is *L'Entree*

also paint naturalistic scenes: one of the most unexpected pictures on view is *La Forêt* of 1740 in which a hint of Salvator Rosa may be noticed in the figures; this exploration of the secrets of Nature looks ahead to the world of Barbizon.

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King's Lynn Festival

King's Lynn celebrates its 21st festival this year. It has a good deal to celebrate. With Lady Ferman as resident god-mother, Lynn has successfully become the rarest kind of festival: one that maintains high standards but also aims to serve the locality rather than floating visitors in search of castles (Edinburgh) or composers (Cheltenham and Aldeburgh).

Lynn itself is a pretty Georgian quayside market town, an expanding town but now with a population of only just over 30,000. Remarkable then that the concerts in St. Nicholas Chapel should regularly collect 1,000 local fannies. If only Cheltenham—more than double the size—could attract the same proportion.

Lynn is far from the festival that reckons must be the only one required for a festival. This year the other events included *The World's a Stage* from the Prospect Theatre Company, and a double bill of *Meret (Morgana)* and *Suitable Case for Treatment* and *Stoppard (Reel Inspector Hound)* from the Nottingham Theatre.

This year's musical fare was deprived of one of its oldest traditions by the death of Sir John Barbirolli. (His successor, James Loughran, conducted the Bartok, Wagner, Chabikovsky concert by the Hallé, which usually performs the opening orchestral concert.) The two big events at the end of the week were both by the festival's shining principal musician, Raymond Leppard, with the English Chamber Orchestra. Friday night's concert featured *La Traviata* and *Lucia di Lammermoor*, while Saturday's was *Don Giovanni* and *Le Nozze di Figaro*.

Leppard, who naturally uses a good deal of brass. The Monteverdi pieces, *La Traviata* and *Lucia di Lammermoor*, were splendid indeed, boldly patterned with simple rhythms intricately repeated. But Cavalli's confirmed themselves as less rewarding though nicely supported by the orchestra with smooth brass from the Philip Jones Ensemble. No surprise that they should seem square beside the flexible word setting of the Cavalli operas with which Leppard has spent so much time. But some surprises in the more varied *Salve Regina* and perhaps *Ave Maria* Stella, Cavalli's motets are so much less emotional than Monteverdi's.

scoring is for small orchestra whose oboe and clarinet echo the voice touchingly, while the strings tend to imaginative effects like those of Ariadne pining for Theseus. At first hearing the work ends disappointingly: abruptly, without the definite climax that—at least in an Italian opera—Miss Maw's appearance of Bacchus and his immortal company.

Lenno Berkeley's Dialogue for Cello Solo and Chamber Orchestra was less exciting. It seems patronising to say so, but rather than one of Berkeley's best, this is a cool piece of music that falls flat in the first movement. The soloist here was Maurice Gendron, also not at his best. The third movement, *The Rising of the Moon*, and similarly disappointed the Academy of St. Martin's at Cheltenham. Were less talented particularly in composing for chamber orchestra—we would not mind!

Saturday afternoon's concert featured Raymond Leppard's decorative duster of Venetian 17th century. The programme here was identical (but for one different piece and changed order) to last December's at Southampton Cathedral. Under the title "The Splendours of Venice" Leppard gathers together a collection of Cavalli, Monteverdi and G. Gabrieli which naturally uses a good deal of brass. The Monteverdi pieces, *La Traviata* and *Lucia di Lammermoor*, were splendid indeed, boldly patterned with simple rhythms intricately repeated. But Cavalli's confirmed themselves as less rewarding though nicely supported by the orchestra with smooth brass from the Philip Jones Ensemble. No surprise that they should seem square beside the flexible word setting of the Cavalli operas with which Leppard has spent so much time. But some surprises in the more varied *Salve Regina* and perhaps *Ave Maria* Stella, Cavalli's motets are so much less emotional than Monteverdi's.

GILLIAN WIDDICOMBE

Edinburgh Film Festival

Edinburgh film festival starts its twenty-fifth year a week ahead of the music and drama festival. This year Edinburgh plans a tribute to Bernardo Bertolucci, the young Italian director whose first major film to reach this country, *Before the Revolution*, was completed when he was 23 years of age.

Among the new full-length feature films already confirmed is *Private Roy*, the second film by Barney Platts-Mills, maker of *Edinburgh* last year. Peter Watkins' new film *Pinusmum*

Park may arouse some controversial comment. It is his view of America, made in the quasi-documentary style that distinguishes Watkins' films, with non-professional actors acting on the basis of their experience.

This year's retrospective are on the films of Norman McLaren, Scottish-Canadian pioneer of animation by direct-drawing on film and on Leacock-Pennebaker, chief exponents of cinema verité. As a prelude to his major exhibition at the Tate Gallery in the autumn, Eduardo Gualozzi will be presenting a programme of his films.

ENTERTAINMENT GUIDE

OPERA AND BALLET

COVENT GARDEN. ROYAL BALLET.
TODAY. 7.30. SWAN LAKE with Mason
Nightingale. 7.30. DANCING
CONCERTINISTS. FIELD FIGURES.
TODAY. 8.15. ANASTASIA. Sat. at 2.15. GREVILLE
STRAUSS. Wed. Fri. & Sat. matinee
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COLISEUM. Sadler's Wells Opera.
Evens. 7.30. Tonight. Tomorrow. Thurs.
& Fri. 8.15. 12.15. 5.15 & 8.15
KISS ME, KATE
Sat.: THE SERAGLIO. (836 3161.)

CLYDEBOURNE FESTIVAL. Opera until
Auntie. 7.30. 7.30. 7.30. 7.30. 7.30.
Orchestra. Today and Mon. at 7.30.
P. 8.15 (Sunday) 10.15. Tomorrow
P. 8.15 (Sunday) 10.15. 12.15. 5.15 & 8.15
tickets at short notice. 12.15. 5.15 & 8.15
10.15. 12.15. 5.15 & 8.15. 10.15.
10.15. 12.15. 5.15 & 8.15. 10.15.
10.15. 12.15. 5.15 & 8.15. 10.15.

ROYAL FESTIVAL HALL. (1026 3191)
SADLER'S WELLS THEATRE. Rosebery
Avenue (837 1672). 7.30 to 2.15.

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Farming and Raw Materials

New rise in beef prices forecast

A THREAT that English beef may soon be scarce and rise in price further came yesterday from official figures of cattle slaughtering which show a sharp drop on last year.

Ministry of Agriculture statistics show that in the three weeks to July 17, 136,000 beef steers and heifers were slaughtered in the U.K., compared with 156,000 last year—a drop of more than 12 per cent.

Butchers see this as a sign that supplies are decreasing rapidly. "Supplies normally tend to rise about this time of the year," said a spokesman for the National Federation of Meat Traders' Associations. "It seems a reversal of the usual pattern."

"At the moment it has not had a marked effect because, with the warm weather, demand for beef is not high. But if it continues, it must inevitably mean a rise in prices."

There was little likelihood of getting extra beef from the Argentine, he said. The best hope of holding down prices and meeting demand was a step-up in supplies from Ireland.

Irish shipments of beef to the U.K. in the first four months of this year rose significantly and producers are fearing themselves to sell more Irish beef in Britain.

The statistics show home-killed lamb and pork supplies are slightly up, while pigs slaughtered for bacon are up by about one-fifth.

Sharp rise in Indonesian clove prices

DJAKARTA, August 2. INDONESIAN clove prices have risen by more than 100 rupiahs per kilo in the past few days out of fears of a lower harvest this year, dealers said here.

Prices for top quality local cloves are now being quoted at 1,500 rupiahs per kg as against 1,300 and 1,400 rupiahs per kg in mid-July.

An Antara News Agency report from Manado, North Celebes, at the weekend said clove prices there had risen from 1,350 to 1,450 rupiahs per kg in the past week. Antara said clove production in the region had dropped by a quarter this season.

A spokesman for the Zanzibar company said the rise was due to increased demand and doubts about forthcoming crops.

Copper market steady on latest strike news

BY JOHN EDWARDS

THE SETTLEMENT of the U.S. steelworkers' new contracts, meaning a strike has been avoided, gave a firm underpinning to the London Metal Exchange markets yesterday. Although copper prices ended the day close to Friday's closing levels, values had previously been expected to fall in line with the downturn in the New York copper market on Friday night following the tentative agreement reached by Phelps Dodge. Tin prices also held firm, despite a further fall in the Penang market in Malaysia over the weekend, while lead and zinc values both gained ground.

Chileans come out

Another steady influence for copper was the news that 5,000 workers at Chile's State-owned El Salvador copper mine have gone on strike, following the failure to reach agreement on the terms of a new labour contract. The strike, which was claimed to be 100 per cent effective, is the first stoppage since the 1966-67 strike in Chile for some time.

However, it is expected "peace" talks will be resumed and a lengthy stoppage is not expected in view of the present troubled state of the Chilean copper industry. In the U.S., two new copper workers' strikes have started following the expiration of labour contracts on July 31.

Australia wool stock 6% of clip

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR

THE AUSTRALIAN Wool Commission is holding 339,000 bales, valued at about \$A33m. This was announced today by the commission following a statement by the Minister for Primary Industry, Mr. Lindsay, which indicated continued Government support for the activities of the Commission, established last year to ensure a minimum wool price.

The acting chairman of the commission, Mr. W. J. Vines, said that the stocks represented 6 per cent of last year's Australian wool clip, and less than 2 per cent of the annual world wool production.

"From these figures, it will be apparent to the trade that the commission has re-sold a sizeable quantity of its stocks during the winter of last season, these sales have been made at a profit over the first cost. The price for wool sold direct to the trade since auctions concluded have shown a rising trend and are now above market rates."

Mr. Vines said that in addition to those stocks acquired as a result of the reserve price plan, the Commission was also obliged to purchase, at current values,

but there has been a return to work at another mine.

The White Pine Mine, owned by Copper Range and producing about 65,000 tons of copper annually, is one of the new mines where work has stopped. The company said its economic ideas were far apart from the unions' views, but a resumption of bargaining was anticipated shortly.

Anacosta's Twin Butte mine in Arizona, producing some 80,000 tons of copper a year, has also been hit by a strike with the expiration of the workers' contracts at the end of July. The failure to avoid a strike at Twin Butte suggests that Anacosta is still having difficulty in finalising the tentative agreement reported to have been reached with the workers in other areas nearly a fortnight ago.

In contrast Kennecott confirmed that the strike at its Chuquibambilla mine produces around 80,000 tons a year, has been settled. The company said there had been only a limited return to work because of the strike affecting ore concentrate supplies using the Santa Fe railway, but presumably the settlement of the U.S. rail strike as well should mean Chile will be back to normal operations shortly.

U.S. copper strike is to a large extent a "dead" issue on the London market now, with everyone expecting all the other

companies to follow Kennecott's lead shortly. But the speed with which U.S. steel companies have put up their prices as a result of the higher wage bill faced could set a useful precedent for U.S. copper producers to follow—hence the present firmness of the London market especially now a steel strike has been avoided and the way opened for build-up of surplus supplies delivered into the LME warehouses has halted.

Although there was a small rise of 500 tons in LME copper stocks to 98,425 tons, the increase was in line with expectations and suggests that the heavy build-up of surplus supplies delivered into the LME warehouses has halted.

Boost for lead

The hoped-for recovery in demand with the steel strike no longer looming over the U.S. economy, is also a boost for the other metals, especially tin and zinc. Lead values received an additional boost yesterday from the fact that the steel strike has been believed to have been on behalf of the producers—a possible hint that rumours of a forthcoming rise in the U.S. lead price may have some truth.

Tin stocks held in LME warehouses were down by 31 to 4,595 tons, zinc declined by 32 to 25,925 tons, while lead values rose by 525 to 34,100 tons. LME silver stocks were up by 20,000 to 6,780,000 ounces.

Ceylon tea boycott by Russia

COLOMBO, Aug. 2.

THE SOVIET Union has failed to take part in tea auctions here because of a large quantity of the near 10m. lbs of tea on offer to be withdrawn from sale.

Teas that were sold also failed to fetch the high prices that usually result from the presence of Russian buyers at the auction.

Commercial circles here say that the Russian buyers stayed away because of Ceylon's recent requirement that all purchases be covered by bilateral trade payments to be channelled through the State trading corporation's export unit, Consopex.

Trade sources said there were strong Soviet pressures for the government to reverse its decision regarding the channeling of purchases.

But the government, which believes the move to be in the country's best interests, is reluctant to back down, the sources added.

Government answer to Humphrey

By John Bourne, Lobby Editor

THE GOVERNMENT took steps yesterday to answer the criticisms of the EEC's farm policy laid Friday by Senator Hubert Humphrey, the former U.S. Vice-President. He said in London that the farm policy "had become a major disruptive force in world agricultural markets."

Last night in a speech Mr. Peter Thomas, Secretary for Wales and chairman of the Conservative Party, said: "There are many aspects of the Community's agricultural policies that are of course, as we would have chosen. But I am sure of one thing. The EEC has realised that its size and economic power make it essential for it to take account of its effects on other countries."

"The Community have agreed to support the OECD high level working group on trade liberalisation, and they have made special concessions to cover American citrus exports. American agricultural exports to the EEC have gone up two and a half times since the Common Market was founded and 1970 was a record year."

"The U.S. has always given consistent and wholehearted support to the enlargement of the European Communities. I believe that the EEC is already taking account of any legitimate fears in American agricultural trade circles and that this awareness of international responsibility will continue to grow with our entry and the Community's development. This is to the mutual interest of Europe and the U.S."

Sharp fall in maize prices on brighter crop prospects

BY ROBIN REEVES, COMMODITIES EDITOR

U.S. MAIZE prices are now running at the lowest levels of the year and it is beginning to look less and less likely that there will be a repeat performance of last year's market boom.

The decline in price over the past month has been considerable. Although it is currently quoted at \$2.75 a ton, this compares with nearly \$3 a ton a month ago, and last year's peak price of \$3.25 a ton.

Most significantly, this fall has taken place despite the spread of Southern Corn Leaf Blight, the disease which did so much damage to last year's U.S. maize crop (reducing it by 10m. tons for some 10 per cent of the total crop, and which was largely responsible for last year's price boom).

31 States hit

According to the latest report from the U.S. Department of Agriculture's Corn Blight Information Center, the disease is now affecting maize crops in 31 states. But for the present, overall infection levels are still only light to moderate in the majority of Corn Belt and Southern States.

As long as reports of the blight infection continue in this vein, it is difficult to see the market staging any dramatic recovery. As things stand, the U.S. and therefore the world (America produces around half the world's total maize supply) is in for a bumper maize crop.

According to the Common-

wealth Secretariat's latest Grain Bulletin, American farmers' planting intentions are believed to have been largely fulfilled. If this is the case, then the U.S. maize acreage should total around 64.6m. acres, or 12 per cent more in 1970-71.

Even allowing for some losses due to corn blight and other influences, the 1971 U.S. maize crop could easily reach at least 10 per cent above last year's output of 102.7m. tons. Bearing in mind that U.S. maize exports (traditionally run at about 10m. tons, the increase alone is enough to cover export demand.

As it is, there is also likely to be an increase in maize supplies from other producers. According to an official estimate, France had planted 3.69m. acres of maize on June 1, against 3.71m. acres at the same time last year, although it is currently estimated that the harvest of marketable maize in France will total about the same as last year—between 6.1m. and 6.4m. tons. However, in West Germany, the popularity of the crop is spreading and the area is estimated to be up by some 20 per cent. It is also thought to be bigger in Italy, while in Yugoslavia the outlook is better.

Overall then, world maize supplies are looking a good deal more plentiful. Pessimists can point out that last year the main impact of corn blight in the U.S. was not felt until the middle of August, and certainly there is many a slip twixt cup and lip. But quite apart from

an increase in maize supplies from other sources, production of wheat and barley, which have been widely substituted for maize over the past year, promises to be markedly higher.

Although American maize at its present price is the cheapest it has been for some time, it is still appreciably above the U.K. minimum import price for July-August-September, which is \$2.65 a ton. By January the MIP will be up to \$2.55 a ton, and in August next year it has been set at \$2.75.

Meanwhile, U.K. grain farmers have been urged by the Home Grown Cereals Authority not to market excess quantities of grain during the harvest period. Growers have been told that if they can defer marketing some of their grain to keep harvest supplies in balance with demand, they will have a better chance of improving their prices in line with those of competing foreign grains as indicated by the futures prices.

Competition warning

Having reviewed the guide, the authority has decided to maintain the prices issued on July 27, which were \$24.50 a ton for wheat and \$22.50 a ton for barley.

The authority adds that once the harvest is completed, it will be important for growers to ensure a steady flow of grain to the mills to keep pace with users' spot and forward requirements and so to restrict to a minimum the openings for foreign competition.

Pig disease may be hazard to man

BY DAVID FISLOCK, SCIENCE EDITOR

CROSS-infection of man by a disease common in pigs but not hitherto thought transferable has been demonstrated by a scientist with the Animal Health Trust.

The parasite is the pig whipworm (Trichuris suis), which infects the colon, retarding growth and if the infection is very heavy, killing the beast. Surveys by the Animal Health Trust indicate that up to 42 per cent of Scottish pigs, up to 63 per cent of Welsh pigs, and up to 74 per cent of East Anglian pigs may be infected.

A close relative of the pig whipworm infects people, and is one of the most difficult of worms to treat. Hitherto, however, cross-infection of people by the pig whipworm has not been thought possible.

But Mr. Richard Beer, a parasitologist with the Trust's Farm Livestock Research Centre at Stock in Essex, has demonstrated that man can become

infected fairly easily by deliberately infecting himself and his wife with sub-critical doses. He is studying the worm, and wished to know how carefully he should safeguard against infection.

Later, his technician also became accidentally infected.

The pig whipworm, Mr. Beer now believes, may be a source of infection for man. Little is known at present about the epidemiology of whipworms in either pigs or humans, except that it is endemic in both.

A survey taken in Kenya, for instance, where Mr. Beer is presently working, revealed an incidence of about 10 per cent in people around the shore of Lake Victoria.

By demonstrating that pig whipworm may be a public health hazard, suggests Mr. Beer, he may encourage greater efforts to control the infection in pigs. Effective treatment exists, he

says, in dichlorvos, the chemical used as a slow-release pesticide for house flies. Since 1965 dichlorvos has been available in slow-release form as treatment for pigs, and recently home production has been experimentally treated human infections.

LEWIS & PEAT IN BRAZIL COCOA DEAL

Lewis and Peat of London at Barretto do Acaju Produtos e Cacau S/A of Brazil have signed a technical service agreement. Under this agreement Lewis and Peat will locate a technician at Barretto's plant at Salvador de Bahia who will assist in technical development of quality control for cocoa products.

Additionally Lewis and Peat will assist Barretto in developing its international business. Lewis and Peat are cocoa processors.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Moved narrowly on the London Metal Exchange. After opening at around \$146, the metal traded up to \$149 in the morning and finally closed at \$148.50 on the late Kermi Bear covering. U.S. buying and the strike at El Salvador in Chile were factors in the firmness. Influential buying and selling were also reported. Turnover, 6,500 metric tons.

IN THE MORNING, when cash traded at \$148.50, the 3m. futures price was \$149.00, the 6m. price was \$149.50, the 12m. price was \$150.00, the 24m. price was \$150.50, the 36m. price was \$151.00, the 48m. price was \$151.50, the 60m. price was \$152.00, the 72m. price was \$152.50, the 84m. price was \$153.00, the 96m. price was \$153.50, the 108m. price was \$154.00, the 120m. price was \$154.50, the 132m. price was \$155.00, the 144m. price was \$155.50, the 156m. price was \$156.00, the 168m. price was \$156.50, the 180m. price was \$157.00, the 192m. price was \$157.50, the 204m. price was \$158.00, the 216m. price was \$158.50, the 228m. price was \$159.00, the 240m. price was \$159.50, the 252m. price was \$160.00, the 264m. price was \$160.50, the 276m. price was \$161.00, the 288m. price was \$161.50, the 300m. price was \$162.00.

Notice of dividends payable on July 30, 1971

FONSA

Investment Trust for Swiss Shares

The 22nd financial year of FONSA, ended June 30, 1971, was again characterized by lively investing activity, and the number of Shares outstanding rose by 535,051 to 3,666,780. The Trust's assets increased to \$fr. 465 million on June 30, 1971, as compared to \$fr. 373 million a year earlier.

The annual dividend from net income (Coupon No. 24) was again declared at \$fr. 2.40 per share. Moreover, capital gains in the amount of \$fr. 2.60 per share can be distributed against Coupon No. 25, thereby raising the total annual distribution from \$fr. 4.40 for 1969/70 to \$fr. 5.

GLOBINVEST

International Investment Trust

During its 3rd financial year which closed on June 30, 1971, GLOBINVEST again registered gratifying investing results. The number of outstanding shares rose by 257,778 to 8,062,633. The Trust's assets increased from \$fr. 449 million to \$fr. 543 million within a year's time.

The annual dividend from net income could be raised from \$fr. 2.30 to \$fr. 2.40 (Coupon No. 4).

PACIFIC-INVEST

Investment Trust for Pacific Area Securities

In its second financial year, PACIFIC-INVEST again met with lively interest, and the number of outstanding shares rose by 193,223 to 1,773,659. The Trust's assets increased from \$fr. 143 million to \$fr. 170 million. The annual dividend was set at \$fr. 2—per share (Coupon No. 2). In addition, realized capital gains of \$fr. 1—per share are paid by Coupon No. 3, thus bringing the total distribution to \$fr. 3—as in the previous year.

ITAC

Investment Trust for Italian Shares

There is an unchanged annual dividend of \$fr. 3—(Coupon No. 15).

FONSA, GLOBINVEST, PACIFIC-INVEST and ITAC are managed by Intrac Ltd. Zurich, which in total manages 14 Unit Trusts with total net assets of approx. \$fr. 3,850,000,000. Custodian, Subscription and Paying Agent for all these Trusts is the

Union Bank of Switzerland

Copies of the annual reports are available at the London Office of Union Bank of Switzerland, 117 Old Broad Street, London, E.C.2.

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COINTEGRATION

Headed to Japan at \$120 f.o.b. for Aug. Term charterers open for a covered bill of lading or to end-user of about 600,000 tons of grain for a trip from Peru to Italy, August 2-10, also for two weeks of single deck vessel of 5,000-8,000 tons for a voyage from Sumatra to French Bay or Mediterranean not east of Piraeus Aug. 1-10. A covered or sealed vessel of 2,000-3,000 tons wanted for a voyage from the Great Lakes to the Continent.

TANKERS

Very quiet with few fixtures of importance. A 21,000-ton tanker chartered from Persian Gulf to Madras as Worldwide 2, and over the weekend a 10,000-ton tanker chartered from Persian Gulf to Japan at \$120 f.o.b.

COFFEE

Prices were very subdued during the early session. After lunch terminal was more active, and a number of contracts were traded. The market closed at 100.00 for Arabica and 95.00 for Robusta.

LEAD

100.00-100.25-100.50-100.75-101.00-101.25-101.50-101.75-102.00-102.25-102.50-102.75-103.00-103.25-103.50-103.75-104.00-104.25-104.50-104.75-105.00-105.25-105.50-105.75-106.00-106.25-106.50-106.75-107.00-107.25-107.50-107.75-108.00-108.25-108.50-108.75-109.00-109.25-109.50-109.75-110.00-110.25-110.50-110.75-111.00-111.25-111.50-111.75-112.00-112.25-112.50-112.75-113.00-113.25-113.50-113.75-114.00-114.25-114.50-114.75-115.00-115.25-115.50-115.75-116.00-116.25-116.50-116.75-117.00-117.25-117.50-117.75-118.00-118.25-118.50-118.75-119.00-119.25-119.50-119.75-120.00-120.25-120.50-120.75-121.00-121.25-121.50-121.75-122.00-122.25-122.50-122.75-123.00-123.25-123.50-123.75-124.00-124.25-124.50-124.75-125.00-125.25-125.50-125.75-126.00-126.25-126.50-126.75-127.00-127.25-127.50-127.75-128.00-128.25-128.50-128.75-129.00-129.25-129.50-129.75-130.00-130.25-130.50-130.75-131.00-131.25-131.50-131.75-132.00-132.25-132.50-132.75-133.00-133.25-133.50-133.75-134.00-134.25-134.50-134.75-135.00-135.25-135.50-135.75-136.00-136.25-136.50-136.75-137.00-137.25-137.50-137.75-138.00-138.25-138.50-138.75-139.00-139.25-139.50-139.75-140.00-140.25-140.50-140.75-141.00-141.25-141.50-141.75-142.00-142.25-142.50-142.75-143.00-143.25-143.50-143.75-144.00-144.25-144.50-144.75-145.00-145.25-145.50-145.75-146.00-146.25-146.50-146.75-147.00-147.25-147.50-147.75-148.00-148.25-148.50-148.75-149.00-149.25-149.50-149.75-150.00-150.25-150.50-150.75-151.00-151.25-151.50-151.75-152.00-152.25-152.50-152.75-153.00-153.25-153.50-153.75-154.00-154.25-154.50-154.75-155.00-155.25-155.50-155.75-156.00-156.25-156.50-156.75-157.00-157.25-157.50-157.75-158.00-158.25-158.50-158.75-159.00-159.25-159.50-159.75-160.00-160.25-160.50-160.75-161.00-161.25-161.50-161.75-162.00-162.25-162.50-162.75-163.00-163.25-163.50-163.75-164.00-164.25-164.50-164.75-165.00-165.25-165.50-165.75-166.00-166.25-166.50-166.75-167.00-167.25-167.50-167.75-168.00-168.25-168.50-168.75-169.00-169.25-169.50-169.75-170.00-170.25-170.50-170.75-171.00-171.25-171.50-171.75-172.00-172.25-172.50-172.75-173.00-173.25-173.50-173.75-174.00-174.25-174.50-174.75-175.00-175.25-175.50-175.75-176.00-176.25-176.50-176.75-177.00-177.25-177.50-177.75-178.00-178.25-178.50-178.75-179.00-179.25-179.50-179.75-180.00-180.25-180.50-180.75-181.00-181.25-181.50-181.75-182.00-182.25-182.50-182.75-183.00-183.25-183.50-183.75-184.00-184.25-184.50-184.75-185.00-185.25-185.50-185.75-186.00-186.25-186.50-186.75-187.00-187.25-187.50-187.75-188.00-188.25-188.50-188.75-189.00-189.25-189.50-189.75-190.00-190.25-190.50-190.75-191.00-191.25-191.50-191.75-192.00-192.25-192.50-192.75-193.00-193.25-193.50-193.75-194.00-194.25-194.50-194.75-195.00-195.25-195.50-195.75-196.00-196.25-196.50-196.75-197.00-197.25-197.50-197.75-198.00-198.25-198.50-198.75-199.00-199.25-199.50-199.75-200.00-200.25-200.50-200.75-201.00-201.25-201.50-201.75-202.00-202.25-202.50-202.75-203.00-203.25-203.50-203.75-204.00-204.25-204.50-204.75-205.00-205.25-205.50-205.75-206.00-206.25-206.50-206.75-207.00-207.25-207.50-207.75-208.00-208.25-208.50-208.75-209.00-209.25-209.50-209.75-210.00-210.25-210.50-210.75-211.00-211.25-211.50-211.75-212.00

American
NewsU.S. Steel
price rises
after pay
settlementBy John Graham,
U.S. Editor

NEW YORK, August 2. THE link on its new labour contract barely dry, United Steel, a giant of the industry, this morning announced price increases on the majority of its products averaging eight per cent, one of the steepest rises in many years.

The increases come as no surprise whatever. Numerous industrial executives have warned that the cost of the new settlement would inevitably lead to higher prices and S. Steel underlined this again in its statement, which in part: "Over the years of past labour contract our performance has been that price increases, including those put to effect this year, have not been sufficient to cover cost increases, resulting in a continuous erosion of earnings capability. To prevent further erosion of the new contract it is necessary that we increase our proceeds from steel mill products promptly."

John Graham, U.S. Editor, writes from Washington: THE STEEL strike that has been feared for a large part of this year has been averted, at the cost of an inflationary wage settlement and a large and immediate price increase.

The companies and the United Steelworkers agreed late last night on a three-year package that will increase the workers' pay by at least 30 per cent over the years.

The workers won an unlimited off-inflating escalator. In general, the settlement is about the same as those in the can, aluminium and copper industries, which were specifically described as "inflationary" by the White House.

The results of the long negotiations, expensive though they seem, are probably the best President Nixon could have secured for the steel industry. It was a psychologically and politically important victory for the steel workers to get a settlement of the same as those working in other metals, and is, moreover, plenty of defence that the White House nixed, if that is the word, at terms. It was partly at the administration's request that the union agreed to a 24-hour extension of the strike deadline from Friday midnight to Sunday night in order for both sides to have time to iron out terms of the rank and file would opt.

There will, nevertheless, be considerable disruption in the industry. Most of the country's steel mills were idle yesterday, despite the extension. The companies had completed the process of banking blast furnaces, tapping open hearths and so on.

Apart from the time needed to restart operations, production will be reduced in the months because of the hedging that took place in the six months of the year. Not only was domestic production lower than usual, but imports were more than expected, in part because of a strike.

Errors in U.S. profit figures

By John Graham, U.S. Editor

THE POSSIBILITY that American companies may be seriously misreporting their profits has been raised this week by the report of one of the country's best respected economic research models.

Dr. Otto Eckstein (formerly of the Council of Economic Advisors) has examined company data with his DAT resources, and discovered errors of such size that they raise important policy questions. His findings and tentative conclusions are as follows:

For 1970, the original estimate of company profits was \$81,300m., but this has already been revised to \$75,400m. The previous year's original estimate was \$70m., later revised to \$62,000m. A third large down-

Nixon accepts Peking in
UN, two-China plan

By John Graham, U.S. Editor

THE NIXON Administration formally withdrew its opposition to China's membership of the UN today, and announced a "two Chinas" policy. Mr. Rogers, Secretary of State, said: "The U.S. accordingly will support action at the General Assembly this autumn calling for seating the People's Republic of China. At the same time the U.S. will oppose any action to expel the Republic of China or to revise the representation of the U.S. at the UN."

He added that the U.S. would not insist that the admission of China be made "an important question," which would need a two-thirds vote rather than a simple majority. Any attempt to expel Taiwan would, however, be considered an important question.

Nothing in what he said should be construed as a decision about which China should be considered the sole government of the Chinese people. Acknowledging that both Peking and Taipei claimed to be the sole government of China and the representative of all the people of China, he said the U.S. representation is an international organisation

need not prejudice the claims or views of either government."

The U.S. has taken its two Chinas stance after months of consultations. These showed that a large number of countries wanted to have the Communists in, and also wanted to keep Taiwan in. Given President Nixon's intention of visiting Peking, and his basic desire to deal seriously with the Chinese Communists, today's statement was hardly unexpected. It nevertheless marks a considerable volte-face from the early days of his Presidency.

Volte face

There remains the difficult question of Taiwan's permanent seat on the Security Council. To become a member of the U.N., a country must not only get a majority of the General Assembly but also avoid a veto at the Security Council. U.N. diplomats today said that Taiwan would not have a veto right on this matter in the autumn, since it would itself be concerned that is, in a way sub judice.

It depends on precisely what

WASHINGTON, Aug. 2.

the resolutions are, and Mr. Rogers made it clear today that the U.S. had not decided on its tactics. If Peking remained adamant about Taiwan's expulsion, or if a resolution to take Taiwan off the Security Council was tabled, then the U.S. could revive the "important question," and could even reverse today's statement.

Mr. Rogers said that the U.S. had informed Taiwan of today's announcement — presumably through the Ambassador here — but not Peking. He said that he had no indication from either China whether it would be prepared to sit in the U.N. with the other.

Charles Smith, Far East Correspondent, writes: There was no official reaction from the British Government yesterday to Mr. Rogers' statement but unofficially it is known that Britain both dislikes and distrusts the American attempt to inaugurate a two-China policy. It is highly unlikely that the U.K. will vote for a "revised important item" motion designed to keep Taiwan in the United Nations although it might not actually vote against. On the other hand Britain will this year vote for the traditional Albanian motion which calls for the admission of the Peoples Republic of China to the UN and the expulsion of the Nationalists.

Britain is understood to have received advance notice of the content of the Rogers statement, but there is no indication that consultations of any kind took place between London and Washington before the Americans made their decision. Whitehall sources were suggesting last night that the U.S. move was distinctly out of line with the rest of President Nixon's policy towards China and might even be viewed as a "face saving" measure, intended to prepare the ground for a simple acceptance of Peking's entry to the U.N. If the measure is not designed simply as a "face saver" and has not been so presented to Peking it is taken for granted that China will react strongly against the American move.

Praise for settlements

The settlements in the steel industry and on the railways were praised today by the Secretary of Labour, Mr. James Hodgson. "We believe that this has been a pretty good week-end on the industrial peace front," he said.

"The President's reaction could be characterised as being pleased that the orderly expansion of the economy can continue without the disruptive influences of a strike," he added. Mr. Hodgson pointedly refused to say whether he thought either of the settlements were inflationary.

Rail agreement reached
after 18-day strike

By Guy de Jonquieres

WASHINGTON, August 2.

RAILWAY Management and union negotiators today reached a settlement ending the 18-day selective strike that had paralysed 10 rail lines and brought freight transport to a near standstill.

The 240,000 striking railway workers were ordered back to work from mid-day and normal service is expected to be resumed on the affected rail lines within the next few days.

The details of the agreement have not been announced as yet. But Mr. Charles Luna, the head of the United Transportation Workers Union, said: "We have made an agreement that we are proud of. The chief management negotiator, Mr. John Hiltz, was somewhat less enthusiastic, saying only that he was 'very happy that a satisfactory conclusion has been reached.'"

It is understood that the main points of the settlement conform with the recommendations of a Government emergency Board which reported three months ago. The size of the wage increase negotiated, 42 per cent over 42 months, was also announced several months ago.

The heart of the dispute has been disagreement over work

Brazil \$47m. roads loan

By Our Foreign Staff

THE INTER-AMERICAN BANK announced the approval today of two loans equivalent to \$47m. to help build or improve nearly 400 miles of roads linking Brazil and Uruguay. The two loans were extended to the Departamento Nacional de Estradas de Rodagem, Brazil's national highway agency, and will be used to build or improve four major road routes in Brazil's Rio Grande do Sul State.

The highways, which will connect with roads in Uruguay, include: links between Pelotas and Jaguarão; Jeribá, Bagé and Açuá; Rosario do Sul and Livramento, and São Sepé and Canguçu. All of these are included in the Preferential Plan

for National Roadworks of the Brazilian Government. The total cost of the programme is estimated at \$83,450,000. The Bank loans will cover 56.3 per cent of that figure; the remainder is being provided by DNER.

The area in which the roads will be located is rich in agricultural potential, but the lack of an adequate transportation system in the area has been a serious limiting factor in its socio-economic growth. Production of farm crops in the area far exceeds local needs at present thus leaving large surpluses available for exportation. The projected highways will provide a fast and economical outlet for such products to consumer centres in Brazil and Uruguay.

AERONAUTICAL SATELLITES

Global plans for air safety

By David Fishlock, Science Editor

THE MID-AIR collision which took place over Japan on Friday underlines the significance of the international meeting on air traffic control, initiated by the U.S., which opens at Ministerial level in Madrid this morning. Fourteen nations are meeting under the chairmanship of General Salvador Diaz-Benjuna, Spanish Minister of Air, to try to reach agreement on a global satellite system for surveying and controlling aircraft movements.

Air traffic control, to be fully effective, demands three indispensable features. One is the monitoring of every aircraft in the air space under surveillance. The second is a body with authority to decide what action must be taken to avoid a collision. The third is undelayed communications to every aircraft in the air space under surveillance.

Over the oceans, beyond about 250 miles from the shore, there is no means today for independent surveillance of every aircraft. Moreover, the high-frequency radio links with the aircraft, in which signals are bounced off the ionospheric canopy, do not offer undelayed communications.

Blunder

Hence aircraft fly across the oceans to flight plans they must declare before taking off. Should, however, a "blunder" error cause an aircraft to stray far off course, a commonplace occurrence, there is no way now of alerting other aircraft. So flight plans are arranged to allow large separations between the aircraft, not less than 120 miles. At times of peak traffic this can mean that aircraft must take a much longer route, with the extra cost and delay that entails.

Technically the answer, it has been accepted for some years past, lies with a satellite system — an aeronautical satellite service. Such a scheme would offer direct communications between the ground control and every aircraft, while the satellites themselves provided the pilot with an accurate position reference to reduce "blunder" errors.

Traffic congestion, moreover, will make some such system mandatory for the oceanic routes across the North Atlantic and the Pacific by the mid-1970s. Since it will take up to three years to design and one more to

test a new commercial satellite system, a decision on where and how to begin is already urgently needed.

How a commercial "aerosat" service might be introduced has been the subject of various proposals, such as one COMSAT advanced in May, 1970, for a parallel service to its global communications network. Its targets were the U.S. Federal Aviation Administration and Aeronautical Radio, which provides communications for the U.S. airlines. In Europe, ESRO, the European Space Research Organisation, has also been eager to launch such a scheme, and has sponsored aerosat studies with three European aerospace

three-day meeting in Madrid this week is a return bout, from which it is hoped will emerge firm proposals for the second global satellite service.

At the moment there are obvious hurdles to a joint programme. The Governments of Western Europe do not share the U.S. desire to lease aerosat links from private sources but want at least the initial service to be owned by governments. Neither side doubts the advantage of some such scheme for air safety. How the cost of the service and the work on the satellites might be equitably shared, however, are subjects bound to cause complications.

For the airlines themselves, an aerosat service threatens to

the U.S. Navy's Transit, and its possible successor, Timonin. In a civil guise, the principles of ranging and fixing for aircraft have been explored through NASA's three applications technology satellites (ATS 1-3). These big "hips" are in geostationary orbit at 19,300 nautical miles.

One system tested through these satellites is called "tone-code ranging," developed by Mr. Roy Anderson with U.S. General Electric. It uses ordinary voice communication channels at VHF to recall the pilot when he has strayed from his course—something, says Mr. Anderson, that will probably happen at least once during an ocean crossing.

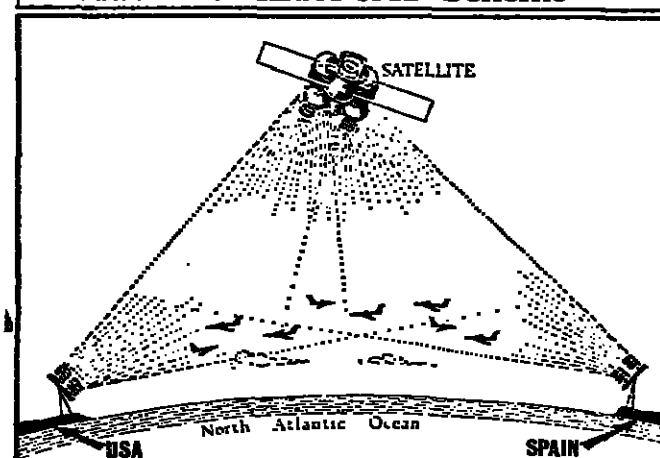
In experiments involving a DC-8B and a KC-135 of the U.S. Federal Aviation Administration, he has shown for the first time that it is practical to locate aircraft by range measurement from two satellites with a single interrogation from the ground and a single response from the aircraft. Even at the comparatively low frequencies he uses the resolution of one-code ranging is good enough to pinpoint an aircraft within three to five miles. What is more, new aircraft such as the Boeing 747 are already equipped to receive tone-code ranging.

Agreement

Others are working on L-band transmissions, aimed this time at the French with their Ducasur system, a global proposal that needs two geostationary satellites. Another is PLACE (Position Location and Aircraft Communication), worked out by NASA, which combines voice and digital links with ranging signals. TRW, meanwhile, has proposed a system that may work out cheaper to install, with three satellites in low orbit and only one in high, geostationary orbit.

The technology, therefore, appears well advanced. What is awaited is a formal request for proposals for an aerosat system to offer continuous high-quality communications for pilots over the ocean. By getting agreement this week on how nations would manage this new form of traffic control, a joint request for proposals might emerge. Aviation Week reports, "as soon as" October, or as late as next spring.

The Atlantic AEROSAT Scheme



groups. Several large corporations, including General Electric, RCA and TRW, have worked out schemes of their own, with assistance from the U.S. space agency, NASA.

Early this year the aerosat concept took a major step forward with a statement from the U.S. Government's Office of Telecommunications Policy, reaffirming that the service is wanted in the Pacific by 1973 and in the North Atlantic by 1975. The statement also established that the Administration wants to lease such a service rather than own and operate it.

Then, this summer, from a ministerial meeting in Washington, emerged the prospect of a joint international programme to develop a common system that would serve both oceans. The

involve a costly short-term re-equipment to offset any long-term advantage from flying more aircraft over shorter routes. To take full advantage of a satellite system the airlines are likely to need to shift from the highly congested VHF band used at present to the L-band, where frequencies from 1540 to 1660 megahertz have been assigned.

L-band would also offer the pilot a more precise "fix" from the satellite. But to receive L-band the aircraft will need a steerable aerial that keeps the satellite in view; a much more complex and costly arrangement than aircraft communications at present.

The essential aspects of a satellite system for navigation have already been established with such military systems as

Chemical New York Corporation

And Subsidiaries Including

Chemical Bank

Consolidated Statement of Condition
As of June 30, 1971

Assets	
Cash and Due from Banks	\$ 3,145,847,000
Securities:	
U. S. Treasury and Federal Agencies	746,224,000
State and Municipal Obligations	843,856,000
Other	48,898,000
Total Securities	1,638,978,000
Loans	6,135,068,000
Federal Funds Sold	228,810,000
Premises and Equipment	92,432,000
Customers' Liability on Acceptances	230,719,000
Accrued Income Receivable	80,891,000
Other Assets	125,808,000
Total	\$11,678,553,000
Liabilities	
Deposits:	
Demand	\$ 5,218,865,000
Savings	678,991,000
Time	2,226,167,000
Foreign Branches	1,474,401,000
Total Deposits	9,598,424,000
Federal Funds Purchased and Securities Sold	722,219,000
Under Agreements to Repurchase	57,364,000
Other Liabilities for Borrowed Money	235,952,000
Acceptances Outstanding	67,929,000
Accrued Taxes and Other Expenses	9,607,000
Dividend Payable	81,418,000
Other Liabilities	10,772,913,000
Reserve	
Reserve for Possible Loan Losses	114,223,000
Capital	
5% Capital Notes Due 1992	50,000,000
5% Convertible Capital Notes Due 1993	52,747,000
5 1/2% Convertible Subordinated Debentures Due 1996	50,000,000
Total Capital Notes	152,747,000
Stockholders' Equity:	
Common stock, \$12 Par Value	
Shares Authorized 33,000,000, Outstanding 13,243,018	
after deducting 116,900 shares held in the Treasury	160,116,000
Capital Surplus	302,742,000
Retained Earnings	175,812,000
Total Stockholders' Equity	638,670,000
Total Capital	791,417,000
Total	\$11,678,553,000

Assets carried at \$21,220,000 on June 30, 1971 were pledged to secure public funds and for other purposes required by law.
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YORKSHIRE CHEMICALS
LIMITED

Jessel, Toynbee & Co. Limited announce that Mr. D. M. L. McWilliam, an executive Director of Charles Fulton & Co. Ltd., has been appointed to the Board of Jessel, Toynbee & Co. Limited and will be responsible for their newly formed currency department. Mr. W. S. Thomson has been appointed Manager.

Broken down

2—Business may have been under-reporting its profits to the Inland Revenue. There have been no major changes in the definitions of taxable income under the internal revenue code, but there is considerable discretion in its interpretation.

3—The statistical operations of the OBE or the Inland Revenue would have broken down through human or mechanical error. Dr. Eckstein does not consider this likely as the prime explanation. The widening gap between reported taxable and taxable earnings is a question not only for econometricians. Individual and institutional investors are guided largely by such reports, as is economic policy at the Government level.

Export News

U.K. top supplier to Dubai

FOR THE first time for several years, the U.K. in 1970 was the leading supplier of goods to Dubai.

Exports to Dubai have climbed steadily from QDR35m. (£3.5m.) in 1966 to QDR197m. (£19.7m.) last year. Switzerland was the market leader in 1966, but for the next three years that honour went to Japan. In 1970, however, Japanese exports to Dubai actually declined, from QDR179m. to QDR163m.

These figures come from the Dubai Annual Trade Review, 1971, published on behalf of the Government of Dubai by External Development Services, of London. The report states that there was a slump last year in imports of some consumer goods, but this was offset by increases in construction materials, defence equipment, and other items.

U.K. shipments of arms and ammunition, for instance, jumped from QDR2.6m. to QDR15.4m., of electrical goods from QDR12m. to QDR20.7m., and of building materials from QDR19.9m. to QDR45.6m.

External Development Services has also introduced a Dubai Trade Statistical Service, at an annual subscription of \$4.20.

Switchboards to Africa

AFRICAN orders for telephone switchboards totalling over £90,000 were announced yesterday by the Plessey Company.

The biggest order is from the Ghana Posts and Telegraphs Department for over 300 private manual branch exchange switchboards. Both floor pattern and cordless desk-top types of equipment are required, and the contract is worth over £54,000.

In addition, on behalf of the East African Posts and Telegraphs Department, a Crown Agents order for 140 switchboards for small businesses and offices in Kenya, Uganda and Tanzania has gone to Plessey.

In both cases the equipment will be manufactured at Plessey's Beeston, Nottingham, factory, and delivery will begin towards the end of this year.

Remote control sewage plant

KENT Instruments (Australia), subsidiary of the U.K. George Kent Group, has won a contract worth \$A1.5m. to equip the Melbourne and Metropolitan Board of Works' new South-Eastern sewage treatment plant. There will be complete monitoring of the plant under all operating conditions, and Kent claims that there will be improved efficiency and savings in labour costs.

\$600,000 order for Chrysler

A UNICEF order for 144 16-ton and 21 13-ton Dodge trucks, worth \$600,000 with spares, has been received by Chrysler United Kingdom. The trucks, built at Dunstable, will be shipped this month to India for use in relief work among Pakistani refugees.

Moscow machine tool fair "real success"

FINANCIAL TIMES REPORTER

EXHIBITORS at the British Machine Tools Exhibition in Moscow, which closes today, are already pressing for a further trade show in the city, possibly in 1973.

This was claimed yesterday by Mr. H. O. Barrett, general manager of the Machine Tool Trades Association, which organised the exhibition.

Contracts which had been the subject of earlier negotiations have been signed, and others for machines and equipment on display are now being negotiated, he said. "Exhibitors are highly satisfied with their discussions and are convinced of the need for a further, similar exhibition."

In terms of the enormous interest aroused and the number of visitors it is possible to claim complete success.

Prominent among visitors to the exhibition have been Ministers, Deputy Ministers, and senior representatives of Soviet state trading organisations.

Forty-three machine tool and associated equipment manufacturers have been taking part in the exhibition. Some 200 tons of exhibits, valued at over £1m., have been on show since June 22. Running parallel with the exhibition was a five-day technical symposium.

During the exhibition, the opportunity was taken to resume technological collaboration talks between British and Soviet specialists concerned with the application of British numerical control and associated equipment, and digital readout

devices, to Soviet machine tools. These discussions were first held in London in November, 1969, and continued in Moscow in January this year. As a result, technical agreement in this area has been considerably advanced.

A. Herbert deliveries

THE FIRST two Anocut electrochemical shaping machines to be exported by Herbert Boring and Drilling, of Lutworth, a member of the Alfred Herbert Group have now gone into production at factories in Europe. Together they are worth £75,000.

The latest machine to be delivered has gone to the aero-engine works of Fiat, where it will be used to produce a variety of components such as turbine blades and housings. Herbert is hoping for a repeat order, in view of Fiat's plans to install more electrochemical machining capacity.

An earlier machine was delivered to the research department of a leading electrical engineering group for evaluation.

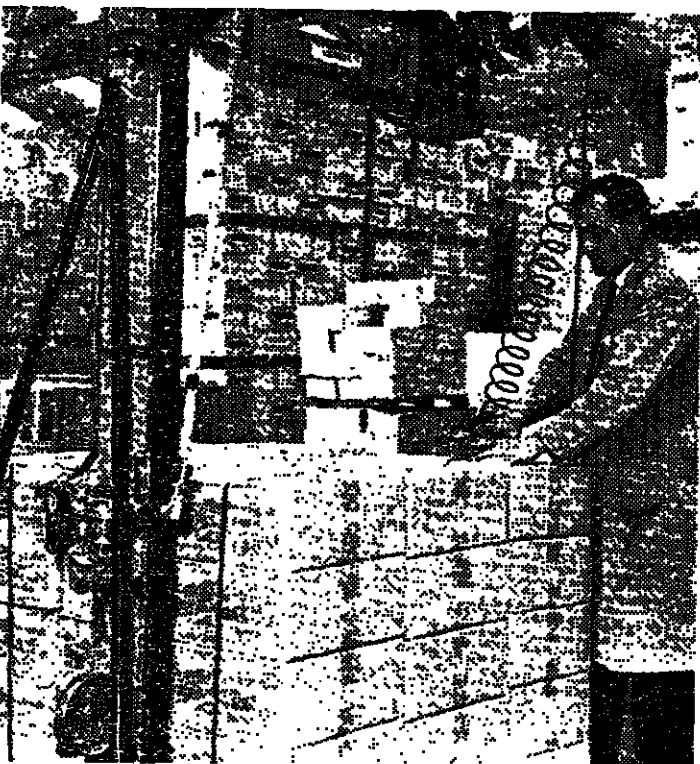
Electrochemical machining is a technique for producing accurate, three-dimensional complex shapes in tough alloys by electrolytic action. The DC units which power the machines are made in the U.K. by the wholly-owned subsidiary of the Chicago-based Anocut Engineering Company.

Unilever group completes pallets experiments

AFTER a 12-month trial, Unilever Export has decided to continue using a "throw-away" pallets system developed within the group.

A report from the company stated yesterday that the system would be used where it seemed shown to be viable, but it seemed doubtful that the point would be reached where all traffic was shipped exclusively on expendable pallets.

The Unilever system shown in the photograph below uses a cheap wooden base, on to which the cartons are strapped. It works out about £1 a load.



All of these securities having been sold, this announcement appears as a matter of record only.

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July, 1971

YACHTING

Protest may rob U.K. of precious points

By ALEC BEILBY

COWES, August 2

THE British Admiral's Cup team were expected to either hold or increase their points lead over the Americans in today's tricky 30-mile inshore race, but a protest made by the Australian yacht Koomooloo against the British entry Cervantes IV could result in a drastic reduction and not the hoped-for increase in the lead. This, in turn, could make the picture much brighter for the Americans.

The result of the protest will not be known until a special meeting has been held tomorrow morning to hear both sides of the tactical argument.

Today's was the first of the two inshore races to be sailed off Cowes and a fresh breeze raised the hopes of the Americans that their larger yachts would be able to save their time on handicap against the smaller British and Australian teams, even though the course was only just over 30 miles in length.

Problem

The problems between Cervantes and Koomooloo arose seconds before the starting gun fired and the Australians, who claimed they had right of way at the time, insist that the crew of Cervantes failed to take avoiding action quickly enough. Apart from this incident the Australians were in trouble on another front when their yacht Salacia II jammed a wire sheet and came virtually to a standstill five minutes after the start.

The American yacht Yankee Girl, the Argentinian Matroero and the French team's largest yacht Gitana V were soon out ahead of the remainder of the fleet and after the turn in the Western Solent were beginning the long run eastwards to the turn back towards the water front at Cowes. Passing the finishing line for the first time to start the second circuit of the course, another triangle, a little smaller than the first, it seemed that

Yankee Girl was just holding her own on handicap as she led the other Gitana majestically past Cowes by over a minute.

The many holidaymakers watching from Cowes seaford who probably did not understand the implications and complications of the handicapping system assumed that Britain's Admiral's Cup goose was well cooked as all the American team yachts had sailed by before the first British team yacht, Prospect of Whitby, appeared in unlucky 10th position. Life was made cheerful on the ramparts of the Royal Yacht Squadron where the yachting experts worked out unofficial placings at this stage of the race and found the lamp of hope still burning brightly for Britain.

During the second half of the race the leaders formed a procession headed by Yankee Girl who just managed to scrape home as overall winner by 50 seconds in a four-hour race from Prospect of Whitby when the handicaps were eventually calculated. Third was the Dutch yacht Standfast, fourth Morning Cloud and fifth the unlucky Cervantes. The Americans were placed, first, tenth and 17th gave Britain a good lift on points and morale until the protest between Cervantes and the Australians was announced.

Diminish

If the race committee uphold the complaint by the Australians Cervantes will certainly be disqualified from this race and this will mean a loss of her 37 points from the total 397, that the British team have gained in the two races sailed so far. This will diminish the British lead to mere 10 points over the Americans and they will need a considerably larger margin than 10 if they are to start the Fastnet race on Saturday with real hopes of fending off the transatlantic threat.

Lloyd's eases cover on Soviet aircraft

BY RAY DAFTER

A GENERAL AIR of caution among British insurers towards covering Russian-built aircraft has been eased following a series of meetings in Russia between a three-man "deputation" from Lloyd's and aircraft manufacturers.

Many of the major British insurers have been declining risks because they have not been satisfied about the arrangements for repairing Russian aircraft. There have been occasions when crashed aircraft, which could have been repaired, have had to be written off because of difficulties over repairs and shortage of spare parts.

The U.K. delegation comprised Lloyd's underwriters Mr. J. H. Davies and Mr. S. R. D. Bell and Lloyd's surveyor Mr. G. Dakin. Mr. Davies said yesterday that he was genuinely surprised at the situation and agreed in principle to co-operate with technical information, damage estimates and repair facilities. Such an assurance, he added, would create an easier atmosphere among insurers who were asked by operators to cover Russian aircraft.

In spite of recent difficulties Britain provides a good deal of cover, mainly in the form of reinsurance, for Soviet aeroplanes.

Among those operating the aircraft, apart from the USSR, are some Arabians, East European and African countries, India, Cuba and Afghanistan.

The Russian manufacturers are also known to be keen to sell their aircraft to Western airlines, which would almost certainly mean further insurance business for the U.K. The "Concordis" — the Tupolev TU-144 — is one of the aircraft Russia is marketing in the West.

Qantas plans charter group

MELBOURNE, August 2

AUSTRALIA'S overseas airline Qantas has been given government permission to form a subsidiary company to operate charter and low-fare flights. The Minister for Civil Aviation, Senator R. Cotton, said the government had approved the proposal in principle but added that there were problems to overcome, including the essential requirements of negotiating traffic rights with other governments.

\$89 five-day holiday in U.S.

Financial Times Reporter

WITH THE words "we intend to play it right down the line" and the rules of Britain's Grand Metropolitan Hotels (Mr. Maxwell Joseph) and America's Trans World Airlines yesterday unveiled a charter holiday scheme which provides U.S. holidays for £89 for five days.

The two companies, working through the travel agency, Westley Travel, are making the offer to companies and affinity groups. The group or company charter a whole Boeing 707 (with 175 seats) and disposes of the tickets to its employees or members. The deal is aimed at the incentive tour market in particular.

Although any American tour to be arranged, the initial packages are based on Grand Metropolitan's New York Hotel, the Royal Manhattan. It is hoped to carry 6,000 people in the first year of the scheme, which has no seasonal variations and includes departures from London's Heathrow airport in normal TWA aircraft set aside for charter use.

HOME CONTRACTS

£1m. order for Van Leer (U.K.)

Van Leer (U.K.) is to supply liquidated gas turbines for the world's largest gas turbine power plant, the £560,000 to Calor Gas. The cylinders will be used for Calor Gas and Calor Propane.

Matthew Hall Mechanical Services has won a £156,000 order for mechanical and electrical services in a new Star (Great Britain) Holdings office development at Stretford in Lancashire.

Atcost Group has been awarded a £137,680 contract for an engineering stores and offices block by the Electricity Council Research Centre, Capenhurst, Chester. Completion is scheduled for January, 1972.

Nigerian Army L-drivers

INDOOR simulators, for training drivers before letting them out on the road, are being bought by the Nigerian Army at a cost of £20,000. Equipment for a 24-place installation is now being delivered by Indoor Driver Trainers, of Sutton, Surrey, to a specially-built school at Lagos.

The equipment consists of 24 IDT/Link car simulators, a computer which records drivers' errors, instructional films, and a projector and screen. The IDT/Link system is already used by the British Army and the Royal Air Force as well as by local authorities and private driving schools.

More traffic through Dover

DOVER HARBOUR Board reports a 9.78 per cent increase in the number of passengers using the port during the first six months of 1971, to 1,771,000. Passengers embarked and disembarked compared with 1.7m. in the same period last year.

The biggest rise in traffic was in the export and import of motor vehicles when the number increased by 87.39 per cent to 58,465.

Cargo passing through the port was 6.38 per cent up, at 995,444 tons. The number of commercial road haulage freight vehicles was 44.75 per cent higher, at 50,648. Accompanied motor vehicles showed an increase of 11.68 per cent to 277,312.

Tighter security for Ministers

By JOHN HUNT

MR. JOHN DAVIES, Minister for Trade and Industry, has been given a 24-hour personal police bodyguard and security for other Ministers is to be tightened following the week-end bombing of Mr. Davies' London flat.

The new arrangements were decided yesterday in talks between Mr. Davies' bodyguard, Home Secretary, and Sir John Waldron, Metropolitan Police Commissioner. Mr. Davies becomes the fourth Minister to have a personal bodyguard. The others are Mr. Edward Heath, the Prime Minister, Mr. Maudling, and Sir Alec Douglas-Home, the Foreign and Commonwealth Secretary.

After yesterday's meeting, a Scotland Yard spokesman said that the police would be reviewing the protection of all Ministers. "The 24-hour personal protection of Mr. John Davies is now in force and further measures will be taken as events and circumstances are reviewed."

Contact with Yard

It is understood that there is no intention of giving every Minister a full-time bodyguard as Ministers feel that this would place a barrier between themselves and the public. What is proposed is that

ministers keep the Yard informed of their movements all the time and also state when any particularly controversial subject is likely to crop up in their area of responsibility.

Special precautions will then be taken to guard a Minister who is likely to be in the public eye on a controversial matter. It was noted that the bomb attack on the news over Upper Clyde St. buildings when Saturday's explosion occurred at his flat at Richmond Court, Fulham.

Mr. Robert Carr, the Employment Secretary, was on his way to his home in Belmont, Hertford, when he was bombed last night.

In future when a Minister goes through such a "dark period" he will be guarded hours a day by a detective usually from the Special Branch. A Minister goes away a week-end the detective who accompanies him and the police would be alerted.

A police patrol had been keeping an eye on Davies' flat, often patrolling stairs and corridor at irregular intervals at all hours.

New guidelines for incentive schemes

By MICHAEL BLANDIN

NEW RULES for the creation of share incentive schemes for company executives have been set out by the group of large institutional investors represented by the Investment Protection Committee of the National Association of Pension Funds.

Following a further meeting of the special committee, the new guidelines have been published and extend and complete the preliminary rules suggested a week earlier.

In particular, the full code covers incentive schemes which incorporate arrangements to enable participants to borrow money to pay for their shares (often at nil or low rates of interest).

The NAPF committee suggests that, where shares are to be issued at below market price, the scheme must incorporate corporate performance targets to be reached or exceeded before the participants can realise any capital gain from their shares.

Trouching on a problem recently raised in connection with last week's proposals by Whesee, the guidelines also suggest that corporate targets and the issue price of the shares for any particular issue must be disclosed to shareholders before the issue is made.

For all types of scheme, code lays down rules including limits on the size of issues in relation to a company's capital and the individual participant's income, and argues that participants should enjoy complete protection against loss.

The code repeats and slight amends the guidelines already set out for schemes where shares are issued partly paid.

It also takes into account schemes of the kind by setting out rules for the minimum proportion of future profits to be set aside for scheme participants and insisting that profit increases should be calculated on an earnings ordinary share basis.

The guidelines are not intended to be a rigid set of rules for incentive schemes but hoped that companies and advisers will take them into account, and would consult with the institutional investors intending to deviate substantially from the general principle involved.

Casinos plea for change in membership rule

By ARTHUR SANDLES

THE CASINOS Association, whose membership includes most of the better-known gambling clubs, is about to ask the Government and the Gaming Board for a relaxation of the 48-hour gaming club membership rule—but only for foreign tourists.

At the moment, membership of a club can only be granted 48 hours after application. For many of Britain's 7m. foreign tourists gaming is an impulse activity and 48 hours is a long time to wait.

It is important to the business that we change this rule," said

the Association last night. "A country is losing a great deal of foreign currency because of 48-hour rule."

The protest from the Gam Association comes soon after travel interests have been asking for relaxation of the drink laws so that tourists might better served.

Meanwhile, last-minute preparations for the opening of the International Sporting Club, formerly the Colony Club, going on. The club is owned by Curzon House, a subsidiary of Mr. Maxwell Joseph's Gilt Investments.

Holding company formed for Bamberg interests

By RAY DAFTER

MR. HAROLD BAMBERG, has formed a holding company, Bamberg Group, for his activities in the aviation field. He said yesterday he had decided to step up his business activities, adding there was a definite place in Britain for the type of company which he thinks he could create.

Cargo airline

A cargo airline, serving the Far East, is among the proposals which Mr. Bamberg, former head of British Eagle International Airlines, has at present under discussion.

The airline business generally seems to have gone very flat and the amount of creative input is extremely limited," he said. "There is a lot of scope for completely new ideas. There will be many opportunities in the future to build on a basis to take advantage of them."

Four companies immediately came under the wing of the Bamberg Group. They are Eagle Air Services, which has sold its aircraft in the past two years Eagle Flying Services, which is formed as an aircraft operating company; Integrity Finance, which is a former lecturer in a school of business; and P. J. Perry, an insurance broker.

Mr. Denis Read, formerly a senior controller of the hotel and catering subsidiary of American Airlines, has been appointed financial controller and company secretary for the Bamberg Group. Mr. Arthur Merrick, executive general manager of Eagle Air Services, has been appointed director of the group, and Mr. A. Smith, a former lecturer in a school of technology, has been appointed quality co-ordinator Eagle Aircraft Services.

Council to sign trading stamp agreement to-day

By FAMELA JUDGE

ONE of the first local authorities to adopt a trading stamp is Droysden, Lancashire, where the urban district council is to sign the agreement with CS Trading this morning.

As reported on March 29, the stamps can be saved against items such as rates, council rents and school meals. Mr. Dennis Rose, chairman of CS Trading, said yesterday that he expected the next council would be Inverkeithing, in Fife, and that 37 other authorities might well join in the coming six months.

It is hoped that stamps will be available from October 1 in both

Droysden and Inverkeithing. Trading will begin to introduce the idea to Droysden shopkeepers next week. There are 350 shops in the area and 14 garages, according to Mr. Rose, who said would be looking for 20 per cent of the market.

CS Trading was formed October, 1970, and retailers books of Civic Stamps for £ each. Out of this, 80p goes to the authority, £1.60 is placed in a deposit (to be drawn against stamps), and £1.35 retained by organisers to cover costs. For each book received the local authority receives 20p



Sir Alec ready to visit China

THE FOREIGN SECRETARY, Sir Alec Douglas-Home told MPs yesterday that he would very much like to visit the People's Republic of China at some time convenient to the two countries.

The Foreign Secretary was replying to questions about China's admission to the United Nations, during which Sir Alec had said that he very much doubted if the "important question" of motion would be moved this year.

Further progress

Sir Alec told Mr. Frank Ailman (Lab. Salford East): "I think we shall be faced with another motion of a different kind as yet unfurnished."

He said Britain had consistently voted for the Albanian resolution to join Communist China but there was only one seat for one country in the UN organisation. Britain's relations with China had shown a recent improvement which was welcomed.

"We are anxious to make further progress. Discussions about the exchange of ambassadors which have taken place between the British Government and the People's Republic of China were resumed earlier this year and are continuing."

Mr. Denis Healey, "shadow" Foreign Secretary, said he understood there was one other major obstacle to the restoration of full diplomatic relations—the Government's maintenance of a consulate in Taiwan. "Is any change in this position contemplated?" he asked.

Sir Alec told him: "The consulate is not accredited to the Government of Taiwan. At the moment I would rather not add anything to what I have said just now."

Rhodesia

On the question of Rhodesia, Sir Alec said he would have to be quite certain, before meeting any official representatives of Rhodesia, that they were talking the same language.

"I am not quite sure yet," he added.

Earlier he said that Britain was still seeking to ascertain whether an acceptable basis could be found for negotiation of a settlement on the five principles. For this purpose there had been exploratory talks with the regime.

Mr. Patrick Wall (C. Hatteridge) asked when the talks would reach Ministerial level.

Sir Alec said he hoped Lord Goodman would be able to have another meeting which would take matters further, but he was in discussion with the Rhodesian Government about this.

Planning role for aviation authority

PROVISION for future planning of airports by the Civil Aviation Authority was added to the Civil Aviation Bill when it received its third reading in the Lords yesterday.

Lord Beswick, from the Opposition front bench, had moved an Opposition amendment making similar provision but said he would be glad to withdraw it if it were covered by a Government amendment.

Lord Sandford, Under Secretary, Environment, said the Government accepted that advice about aerodromes "in the sense of drawing up what is generally referred to as a national airports plan is a matter of sufficient importance to merit specific mention in the Bill."

Lord Beswick said it seemed odd that the "government should have left it to the last stage of the Bill in the second chamber before inserting anything about the planning of airports."

"However, better late than never," he said.

Defeat

THE GOVERNMENT was defeated by four votes in the Lords on an amendment to the Housing Bill.

An amendment by Lord Derwent which provides that financial assistance for house improvements should be available irrespective of when the application was made for such assistance, was carried by 86 votes to 82 during the Bill's committee stage.

BTA PUBLISHES MUSEUMS GUIDE

A new guide book to nearly 1,000 exhibits in London's museums has been published by the British Tourist Authority. The 20-page booklet, National Museums in London, lists exhibits most likely to be of interest to visitors. Sections deal with 100 Things to See, 100 Famous Names, Countries, Civilisations and Styles, and details of how to get to museums and their opening hours.

National Museums in London is available (price 2s) including postage from the British Tourist Authority, 64, St. James's Street, London, S.W.1.

Noisy end to UCS debate Davies: investment the real problem

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

Rejecting the Opposition demand for a select committee to inquire into the Upper Clyde crisis, Mr. John Davies, Secretary for Trade and Industry, yesterday stood firmly by his announced decision for the future of the yards. Disclosing his intention to visit Clydeside to-day with Mr. Gordon Campbell, Secretary for Scotland, for discussions in Glasgow's City Chambers "with representatives of all concerned," Mr. Davies gained a quieter hearing than had been expected in the Commons emergency debate on the situation.

Vehemently denying the callousness

imputed to him by the Opposition over the prospective unemployment on the Clyde, the Minister insisted that the real problem was to increase investment and that the Government's proposals were intended to do just that.

But from the Opposition front bench, Mr. Anthony Wedgwood Benn and Mr. William Ross delivered scathing indictments of Mr. Davies, of Mr. Heath and of the Government, accusing them of taking a politically motivated decision that could lead to a total spread of unemployment for perhaps 15,000 men. The debate wound

to a noisy close with the two sides of the House clashing on the facts and on the needs of the situation.

In the Opposition view the Government solution made no industrial sense and showed no social responsibility. In the Government's opinion, the Labour Administration—Mr. Benn in particular—had assembled in UCS an ill-assorted group doomed to failure. Now the grim economic realities and £32m. of debts had to be faced if there were to be any possibility of future expansion. It was an assessment that brought angry interruptions

MR. JOHN DAVIES thanked Mr. Benn for referring to the "recent distressing events which took place at my home."

There were shouts of protest from the Opposition when he added: "One thing which has distressed me greatly in the last few days has been that in any sense I personally would have lacked sympathy for the situation which has arisen. I think anyone who knows me would very very readily recognise how unlikely that is."

Irrational

"I have always taken the view, and took it more last week, that expressions of sympathy are one thing, but that real steps are another in order to alleviate the situation."

He would try to elucidate rather more of the practical steps which were available, and had been put to the Government, how they were devised, why they were devised and the reasons that the Government decided to adopt them.

He also wished to review some of the background of the cost of this "industrial disaster," so that the responsibility could be fairly attributed where it correctly lay.

Mr. Davies said he had been astonished to read some of the remarks about the expert group which were scattered with considerable and personal interests in the interest of Scotland, had devised what had been called a "political" motivated report. "This seems to me to be utterly divorced from any reality," he added.

Referring to the "so-called Ridley report" Mr. Davies said that as far as he was concerned he had heard of it for the very first time last month in the Guardian. He did not see how it could be said that he was influenced by it.

Mr. Davies said he could not grant credit guarantees to UCS last autumn because of the Shipbuilding Industry Act which prevented him from doing so.

He said he had been brief because the group considered what should be published was a succinct statement. Background material existed in extenso. Consultation was very extensive.

"What has been published is, in fact, the most important thing, which was to point clearly to the circumstances of the disaster were and what has been the sole means of escaping from them."

On the physical content of the yards themselves Mr. Davies



DAVIES... best proposal in the circumstances.

said: "These yards were already at the time of the formation of UCS in 1967 either obsolete or obsolete in their facilities. Since then virtually nothing has been done in order to make them more efficient either in themselves or in their facilities."

Mr. Davies said that in the course of the last 18 months there had been an improvement in terms of steel throughput per man. But that improvement had been at the cost of keeping the cost per ton of steel handled, exactly the same as it was before.

"On the basis of the order book as it stands to-day there is about a year's work ahead for Clydebank and Scotstoun, and for the Govan yard enough to go a little longer, but not much. Let's make no mistake about it."

The prospects of improvement were poor because the shipbuilding industry was in considerable difficulty. The prospect of bringing in a considerable degree of new orders was very remote.

He said he understood and sympathised with the action the men were taking in UCS.

"I understand the emotions of dismay and shock, but I am quite sure they are making a fatal mistake, and they are doing things which will lead, in the end, to their own great disadvantage."

"I greatly deplore what Mr. Benn has been doing in inciting the men to take this action."

When Labour MPs shouted at him "Why don't you go there," Mr. Davies replied: "It may interest you to know that it is my intention to go there to-morrow. I look forward to going there with the Secretary of State for Scotland, Mr. Gordon Campbell, to talk to anybody who reasonably and sensibly wishes to see the activity of shipbuilding pursued on the Clyde."

Mr. Davies said he realised that even if the project did

materialise the impact of the UC failure was going to be very grave indeed. "Whatever has been done would be very serious consequences and redunancies on the Clyde."

"I deplore it as much as anybody but I believe what has been put forward is the best proposal in the circumstances."

The real problem was to increase investment and the Chancellor's measures were devised nationally to achieve this. "The first issue to be faced is to get the management situation right. Until that is done all the rest of the problems become secondary."

"The first thing I shall therefore look to is to find adequate management to replace what has been in the past inadequate management."

Mr. Davies said the sympathy and understanding he had for the people of Clydeside did not extend to Mr. Benn.

"I think he has been, in some sense, the evil genius of the building, as indeed the evil genius of a number of other industrial ventures in this country."

"He sponsored and encouraged the whole ill-fated venture. It was behind the whole operation that saw the assembly of a very ill-assorted group into the Upper Clyde Shipbuilders."

Fortunately he failed to entice Lower Clyde shipbuilders into the consortium and if he had not enticed Yarrow earlier this year, we would have had a catastrophe on the Upper Clyde much more serious than the one we have to-day."

This embryonic concern has been loaded with every form of accruing liability, many of which were taken up well after it was formed. No orders were taken at price which, even in 1968, were showing manifest losses to come.

"The management for which Mr. Benn was responsible, failed absolutely to devise adequate methods in all sorts of parts the business venture."

Influence

Mr. Benn intervened: "There is any truth in what you say about my part, why do the Government not agree to select committee to investigate the matter?"

Mr. Davies said: "You can escape your responsibility. It there and I am bound to say that your present behaviour an affront to all that has gone before."

"The record has been greatly mis-stated by you that simply had to be put straight. The real need now was to get what could be effective reinstated out of this 'dreadful disaster'."

"I am quite convinced that the report we have before us sensible and practical document which we would be so well to try to get implemented."

"I would very much enjoy all Members here and people who can bear influence in the matter to try to bring it about

Benn: Government wasting assets

OPENING the debate Mr. Benn said: "I would like, on behalf of the whole House, to express my congratulations to Mr. Davies for having escaped injury in the bomb attack upon his house."

"I am sure that MPs would also wish to be associated with sympathy for the woman hurt in the attack and denounce in strong language any attempts to solve our domestic problems by violent means."

Report

Mr. Benn said the Government's decision announced on Thursday would have the effect of creating on Clydeside a disaster area, even worse than that to be found in the areas of highest unemployment in Northern Ireland.

The Government had justified its decision by reference to the advisory group report issued as a White Paper which, he said, was the most inaccurate and misleading presented to Parliament for many years.

It was not true to say, as was claimed in the report, that the initial structure of UCS was "totally mistaken."

"If the report was true, and it was not, the Government should lay all the responsibility on the last Labour Government. The plain truth is that in 1965 British shipbuilding as a whole was on the point of collapse."

"If Labour had not intervened to save Fairfields it would not be possible for the Government now to come forward with a proposal based on Fairfields as the centre of a shipbuilding group."

The Government of the time had supported the formation of UCS for employment reasons—there were 15,500 men working in the yards of Upper Clyde, supported by another 20,000 in special industries.

"The possibility of 30,000 jobs disappearing was quite unacceptable to us. We were not prepared to see men rotting in Clydeside if there was any possibility of having a viable group there."

"On any cost-benefit study of the alternative of allowing the men to rot, or building the new group, it made a lot more sense to go for UCS than let the men be paid by the Government to do nothing."

Item

"With hindsight I have no doubt now that it would have been better if the previous Government had taken the whole industry into public ownership at the time we launched the group."

"We could have then re-equipped it, rationalised it and swept aside any of the old ogres."

It was astonishing to him that Lord Robens, who had had the experience of the National Coal Board, would have allowed his name to be put forward as signing the advisory group report.

Mr. Benn said that if, in the light of what he had said to the House, the Government believed there was any substance in the charge it had made against the previous Government, the case for a select committee was absolutely unanswerable. He and his colleagues could then be brought before the committee and subjected to cross-examination.

Mr. Benn said that, on the present Government's record, the

first item was bound to be the so-called Ridley Report, printed in The Guardian and written before the election in 1965 in which Mr. Nicholas Ridley (now Under-Secretary Trade and Industry) had made four recommendations.

The first had been to give no more money to UCS, the second to allow Yarrow to leave UCS if it still wanted to, and third, at the bankruptcy of UCS, would be to put in a "Government butcher" to cut up UCS and sell it off cheaply.

Finally, after liquidation or reconstruction, the Government could sell off its holding in UCS for a pittance if necessary.

From October to February this year, 80 per cent of payments due to the group amounting to £33m.—had been withheld on the orders of the Secretary of State.

"The day on which the Government announced to UCS that it was going to resume these payments was February 3. Had it not announced it on February 3—the bankruptcy would have been announced on the same day—February 4—as the bankruptcy of Rolls-Royce."

"Even it was unable to contemplate the bankruptcy of Rolls-Royce and UCS on the same day."

In Clydebank about one in three people worked in UCS and the local authority received £100,000 in rates a year. Housing subsidies would have to be paid to the unemployed.

Many shopkeepers would also be affected. Steel workers in Clydebank were also faced with redundancy and a total of £40m. gross trade was to be taken out of the Scottish economy."

"The Government is deliberately sentencing thousands of people to a slow and living death of long-term unemployment in the wasteland of West Central Scotland which the Government has decided to create."

"The Prime Minister's epitaph will be that he is the man who forgot the people, and the people will never forgive him for that."

"Other shipbuilding companies throughout the country are directly endangered by the fact that this Government has now given no support whatsoever to its shipbuilding industry."

Between £5m. and £15m. would have to be paid by the Government in redundancy pay and unemployment money. There would have to be capital for the new company and money to the liquidator.

"It looks to me as if the Government has embarked on a policy involving the expenditure of between £25m. and £40m. in lieu of giving the £5m. UCS had wanted to maintain itself in June of this year."

The men on the Clyde had decided to fight for support instead of being put on the scrap heap. "No one—not a single member of the Cabinet has been seen to go to the Clyde to tell the men of the decision they have made."

"The men are not striking, they are working and I support 100 per cent their decision to work in the yards in the protest against the action the Government is taking."

The men were also being supported by the unions, the local authorities and the Churches in Scotland. Over the years he had seen the labour force in Clydebank turn from a "demoralised, divided group engaged in de-

Epitaph

"The charge that I make on behalf of the Opposition to-day is a very grave one. It is that the Prime Minister and the Government was determined to destroy UCS from the start."

"It consistently misled the House as to the facts and the intentions of the Government. It is wasting priceless assets—the skill of the people who work in UCS and at a far higher cost to public funds than would be necessary if the experiment was allowed to continue."

"The Government is deliberately sentencing thousands of people to a slow and living death of long-term unemployment in the wasteland of West Central Scotland which the Government has decided to create."

"The Prime Minister's epitaph will be that he is the man who forgot the people, and the people will never forgive him for that."

Support

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Report a political document, says Ross

MR. WILLIAM ROSS, winding up for the Opposition, referred to a meeting he had had with the four men who compiled the report on Upper Clyde.

There had been no indication in these discussions that they would "put pen to such a report," he said. "The report read carefully, does no credit to those gentlemen. It is a political document."

Every single thing had followed "the plan" laid down in a report given to the Conservative "shadow" Cabinet by Mr. Ridley.

The hiatus between November and February in relation to the credits was because there were certain difficulties in having off Yarrow.

"How on earth does Mr. Davies expect the company, in a difficult time, to build up orders when at the same time he is holding up credits? He knows £33m. worth of credits were held up from late in October until February."

Mr. Ross said his own outrage and anger had not let up as a result of anything Mr. Davies had said in the debate. "He seemed to think we should have taken it calmly."

He welcomed the fact that Mr. Davies and the Scottish Secretary were going to the Clyde. "They will not need a bodyguard. But I would like to see them before they reach their decision."

He continued: "Scotland has never had a worse Government. The Government has been playing ducks and drakes with the economy of Scotland for the past 14 months—lane ducks and week-end drakes."

"The whole spirit and economy of Scotland is at stake here. We do not want to see Scotland turn again into a reservoir, a pool of labour for the Midlands, London, and the south-east. If the Government want a better tomorrow for Scotland, it should tear up this report and save UCS."

Mr. Gordon Campbell said: "In this situation the last Government must bear a large share of the responsibility."

"The group of advisers said that UCS was a totally mistaken initial structure. UCS was set up at the instigation of Mr. Wedgwood Benn, and few will disagree with the four advisers that it was ill-conceived."

Scotland now had to cope with the results of this policy and try to mitigate its social effects. "It is clear that about 1,000 jobs in shipbuilding would have been progressively available elsewhere on the Clyde from now on, and there are prospects of more, depending on how the liquidator is able to dispose of yards."

The group of advisers had been who fervently wished to see the Glasgow Herald prosper. Shouting abuse Labour jeers and cries of "Out, out," he went on: "Nothing would have been better news to me or to the

Government if this group had recommended a full continuance in all the yards of the total work force."

"This would have been universally welcome. But what they have done is to set out clearly the facts as they have found them and proposed the only workable future reconstruction they consider feasible."

Having received this report it would have been deceiving ourselves and deceiving Scotland to have rejected it."

The advisers had recommended a scheme under which shipbuilding on the Upper Clyde could continue. It would be folly, he added, to nullify the prospect of 2,500 firm jobs with the possibility of future expansion."

Mr. Campbell said a report in the Glasgow Herald said the Scott-Lithgow group had reacted sharply to Mr. Benn's suggestion that they would be happy to see higher unemployment on the

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Mr. Campbell said a report in the Glasgow Herald said the Scott-Lithgow group had reacted sharply to Mr. Benn's suggestion that they would be happy to see higher unemployment on the

Upper Clyde so that they could recruit from there. This had been dismissed as ridiculous."

"You have caused quite enough damage to us in Scotland by your mistakes and had judgment when you were a Minister. On top of the follies you committed on the Upper Clyde you have now added a suggestion can only describe as diabolical."

Mr. Benn interrupted to say that when the report in the Glasgow Herald had been brought to his attention he found there had been a misprint of a single word in Hansard which would be corrected in the bound volume. He had dealt with this fully in Scotland.

Labour MPs called "withdraw" and Mr. Campbell said: "If it is incorrect I will draw until I have seen the corrected version."

The Opposition motion was defeated by 280 votes to 247.

Swing in favour of Common Market 'after Wilson drops it'

THE SWING of public opinion in favour of the Common Market had occurred since Mr. Wilson had come out against it, said Mr. Norman St. John Stevas (C. Chelmsford) in the Commons.

He asked Britain's EEC negotiator, Mr. Geoffrey Rippon: "Can you confirm whether this concentration of events is purely coincidental?"

Mr. Rippon: "These are troubled waters into which I do not choose to delve at the moment."

He added that it was obvious that the more people knew about the Community, the more anxious they were to join.

Mr. Tom Price (Lab. West-boughton) said: "Since a number of important questions were swept under the carpet when you were so anxious to bring a cocked up agreement to the House a few weeks ago, can you say what diplomatic activity will be taking place during our recess on the liquidation of sterling balances, the abandonment of sterling as a reserve currency, the fishing agreement and other matters?"

Mr. Rippon said there would be a report to the House on some matters, but sterling would not come up in the negotiations again. There would be another Ministerial meeting on September 21 when, no doubt, fishing would be considered again. But he could not guarantee that the matter would be settled then.

"Far from being cocked up, the agreements have been very

carefully considered and have always been reported in full to the House."

Mr. Denis Healey, "shadow" Foreign Secretary, asked: "Will you explain why the Government has suppressed the figure for foreign exchange costs arising out of tariff changes on industrial goods?"

He said Mr. Rippon had given a figure of £200m. or £300m. in December and had confirmed

this privately as recently as June 24. But, claimed Mr. Healey, the figure had been suppressed by the Government against the advice of Mr. Rippon.

Mr. Rippon said: "This matter did not arise in the negotiations. They were concerned with the contribution to the Community budget. You have no knowledge of what advice I gave the Cabinet. I would not follow your line."

Mr. Ridley said that, using its powers under section 80 of the 1967 Companies Act, the DTI had required the company to maintain in the U.K. assets of equivalent value to the company's domestic liabilities, and to place those assets or documents of title to them in the care of an approved custodian. The assets or documents of title, he said, could not be withdrawn from that custody without the written consent.

Mr. Rippon said last week that it had complied with the DTI's requirements and that Midland Bank Executor and Trustee Company would be the custodian.

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Assurance for "Dover Plan" investors

BY MICHAEL BLANDEN

REASSURANCE for investors in International Life Insurance (U.K.), the "Dover Plan" group, was offered yesterday by Mr. Nicholas Ridley, Under-Secretary for Trade and Industry, in a written reply.

"It appears to

Other Overseas News

Anglican Dean pleads not guilty

By Our Own Correspondent

JOHANNESBURG, Aug. 2.

THE ANGLICAN Dean of Johannesburg the Very Reverend Gonville French-Beytagh pleaded not guilty in Pretoria today to charges under the Terrorism Act. His counsel, Mr. S. Kentridge, rose shortly after the start of proceedings of the summary trial at Pretoria's Old Synagogue to say that three applications were to be handed in. These concerned a change of venue of the trial, the commission of certain charges in England, and the question of a certain statement.

Referring to the Defence and Aid Fund in London, Mr. Kentridge said the Dean admitted having used money but claimed he had done so to "alleviate the distress of politically detained people and, on occasion, to pay for their legal defence."

In his opening address, Mr. Liebenberg for the State alleged that money from the Defence and Aid Fund had been used to help the National Union of Students to finance the entire trial of Mr. Willie Mandela, wife of Nelson Mandela who is serving a life sentence on Robben Island, other people to benefit from the money, he said, included Mrs. Helen Joseph and Father Cosmas Desmond for his book "The Disappeared People." Mr. Liebenberg said that over the years the Dean had paid out Rand 50,000.

Mr. Liebenberg alleged too that the Dean was impressed with the methods of the Black Power movement in America in their fight against the whites. The Dean's organisation had used the slogan "one man, one gun," according to Mr. Liebenberg, the Dean said that placing pins in computers would cause chaos in commercial life and that the Dean would achieve nothing as long as it operated within a law.

Among the charges against the Dean are that he possessed pamphlets supporting the violent overthrow of the State; encouraged people at a certain gathering to bring about changes in South Africa by violent means; and prepared written lies for the propagation of violent revolution.

Warsaw Pact condemns Sudan "reign of terror"

MOSCOW, Aug. 2.

COMMUNIST Party leaders of the Soviet Union and six Warsaw Pact nations held an unannounced summit conference in the Crimea to-day and condemned the "reign of terror" in the Sudan, the Tass News Agency said.

The brief report of the summit said the seven Communist leaders happened to be on holiday in the Crimea and met to discuss a wide range of questions including Communism, the European Security Conference and disarmament talks.

They included Leonid Brezhnev and President Podgorny of the Soviet Union, Janos Kadar of Hungary, Todor Zhivkov of Bulgaria, Edward Giersek of Poland, Kstava Husak of Czechoslovakia, Erich Honecker of East Germany, and Yumzhagiya Tsedenbal of Mongolia. President Ceausescu of Romania was the only party leader absent.

The statement forebodes a major split between the Communist bloc and the Sudan and may have serious repercussions on the Communist bloc's relations with other Arab countries. Egypt announced "complete support" for the policies of President Nimeri to-night and its rejection of "any form of interference in Sudan's domestic affairs."

The announcement was made on the semi-official Middle East News Agency. UPI. Richard Johns writes: President Nimeri's Government announced to-day that Mr. Mikhail Orlov, the second senior Russian diplomat in Khartoum, and Mr. Stoyan Zaimov, the Bulgarian Ambassador, have been ordered to leave the country within 72 hours.

In declaring their *persona non grata* and expelling them, President Nimeri appears in the first instance reacting against what his Government has described as the "biased" campaign by the East European Press against the execution of Marxist leaders in the Sudan. Khartoum has described it as "a hostile act and an unjust intervention in a domestic matter."

But he may be preparing the ground for accusing the Soviet Union and Bulgaria of having collaborated actively in the July 18 take-over through their embassies in Khartoum. The fact that Mr. Anatoly Nikolaev quickly made contact with the leaders of the short-lived coup is resented by President Nimeri and his loyal "Free Officers."

The decision to order the diplomats out of the country was apparently taken at the same Revolutionary Command Council meeting that decided on the recall of the Sudan ambassadors accredited to Moscow and Sofia. On Thursday President Nimeri said that there was, then, no proof of involvement by any foreign power, but that an investigation was taking place.

The trend appears to be strongly in favour of a moderate line at home as well as in foreign policy; there has been some deadly infighting at top levels, both in Peking and in the provinces, but the centre rather than the Left has clearly won.

The moderation comes through forcefully in the editorial published to celebrate the anniversary on July 1. It gave the "definitive" 1971 version of the party's history and Chairman Mao Tse-tung's correct role in it. Its calm and lucid tone was a long way from the heated voices of the Cultural Revolution. It reiterated yet again the prevailing policy of reconciliation with party members who made mistakes in the past but have since repented. It urged victory over the Left tendency which opposed this kind of compromise, only the most recent in a long series of implied criticisms of the radical Left.

The editorial did not deal much with the Cultural Revolution itself (readers were referred to Vice-Chairman Lin Biao's political report to the party congress last year), but it did indicate that a good many people in China wonder if that chaotic movement was strictly necessary. The editorial justified it because it had aroused millions of people to revolution, while the

mission at present is to expand the armed struggle and double the number of strugglers taking up arms.

The conference decided that all property in the "liberation areas" in Dhoaf is to become "public property" where Agrarian reforms are to be applied, slavery in all its forms in these areas is to be abolished, the statement announced.

In another declaration, PFLQAG strongly condemned the newly-established federation of six Gulf emirates and declared that its rebels along with other "strugglers" in the region will seek to destroy it.

Oman rebels' new plans

BY OUR OWN CORRESPONDENT BEIRUT, August 2.

THE POPULAR Front for the Liberation of the Occupied Arabian Gulf (PFLQAG), which is leading an armed rebellion in Dhoaf against Sultan Qabus of Oman, is to form a Marxist-Leninist political party to lead the leftist struggle in the Arabian Peninsula and in the Gulf region in co-operation with the National Liberation Front in Southern Yemen.

This was one of the main decisions adopted by PFLQAG's annual congress held in Dhoaf late in June. A statement issued by the congress was published in leftist newspapers here to-day. It declared that "the main

mission at present is to expand the armed struggle and double the number of strugglers taking up arms."

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Pakistan looks at British links

BY OUR OWN CORRESPONDENT KARACHI, August 2.

A HIGH LEVEL meeting was held in Islamabad this morning to map out plans and consider if there could be any serious repercussions on Pakistan's economy if a decision is taken to quit the Commonwealth, the meeting was attended by senior officials from the Foreign, Home, Commerce, Industries and Economic Affairs Ministries and the Planning Commission.

An official statement issued after the meeting said a decision would be taken soon. The decision to quit the Commonwealth, I understand, would be for a gradual withdrawal. Pakistan may first of all order the closure of British Council offices throughout the country, followed by the closure of British Information Services offices.

Ultimately the demand might be made that Britain reduce the staff in diplomatic missions and then bring the number of British diplomatic missions in Pakistan to the same level as Pakistani missions in the United Kingdom.

Our New Delhi Correspondent writes: External Affairs Minister Swaran Singh and Defence Minister Jagjivan Ram to-day took note of "warlike preparations" by Pakistan and told Parliament that adequate precautionary measures were being taken by the Indian Government.

As tension between two countries heightened as a result of threatening statements recently by Pakistan President Yahya Khan to reporters, Mr.

Singh said that if Yahya made the successes of East Bengal freedom fighters an excuse for starting a war with India "undoubtedly our defence forces will give beating reply."

INDIA ACCUSES OIL GIANTS By Our Own Correspondent NEW DELHI, August 2. THE INDIAN Oil Corporation's managing director Mr. Kamaljit Singh to-day accused Burmah Shell and Esso of creating deliberate difficulties when India was recently in world market to import 1m. tonnes of fuel oil.

Mr. Singh issued a statement that Esso did not answer India's query on the matter and Burmah Shell quoted an unusually high price of Indian oil had now found supplies of fuel oil at a "reasonable price" but Mr. Singh did not disclose the country concerned.

CHINA

Professionals on stage again

BY COLINA MACDOUGALL

PRESIDENT NIXON'S enterprise in getting himself invited to Peking is a real breakthrough, and so is China's ready response. China's outward face these days is remarkably urbane, and even at home the eddies from the Cultural Revolution are beginning to die away.

A year after unofficial reports from Peking said that a meeting of the National People's Congress was imminent, it has now apparently reached the final planning stages and should soon take place. All but four of the major provincial Communist Party committees (which are the highest policy-making bodies in each area) have been re-established after the Cultural Revolution debacle. Admittedly they did not meet the target date of July 1, the fiftieth anniversary of the foundation of the Chinese Communist Party, but still the bulk of rehabilitation has been done.

The trend appears to be strongly in favour of a moderate line at home as well as in foreign policy; there has been some deadly infighting at top levels, both in Peking and in the provinces, but the centre rather than the Left has clearly won.

The moderation comes through forcefully in the editorial published to celebrate the anniversary on July 1. It gave the "definitive" 1971 version of the party's history and Chairman Mao Tse-tung's correct role in it. Its calm and lucid tone was a long way from the heated voices of the Cultural Revolution. It reiterated yet again the prevailing policy of reconciliation with party members who made mistakes in the past but have since repented. It urged victory over the Left tendency which opposed this kind of compromise, only the most recent in a long series of implied criticisms of the radical Left.

The editorial did not deal much with the Cultural Revolution itself (readers were referred to Vice-Chairman Lin Biao's political report to the party congress last year), but it did indicate that a good many people in China wonder if that chaotic movement was strictly necessary. The editorial justified it because it had aroused millions of people to revolution, while the

chaos was blamed on "counter-revolutionaries" and the bourgeoisie. Thus the editorial managed to stick to an orthodox Marxist line while condemning extremes of policy. This is a marked characteristic of the



Mr. Chou En-lai

present administration in China, where the long-term aims are constantly brought out in editorials and speeches but short-term compromises are frequently adopted.

As the Cultural Revolution recedes, the men who came to power on its crest are fading too, leaving the centre of the stage to the professionals again. Yao Tse-shan, extremist in the Foreign Ministry, and thought to have been responsible for the sacking of the British chargé d'affaires office in Peking in 1967, has reportedly been shot. Chiang Ching, Chairman Mao's trouble-making wife, nowadays makes infrequent appearances and seems to confine her activities strictly to the reform of culture. Her former colleagues in the radical Cultural Revolution group, Chen

Po-ta and Kang Sheng, are a mystery: elected last year to the inner sanctum of political power, the five-man Politbureau Standing Committee, they are today seldom seen. Chen, once Mao's secretary, has not appeared since August last year, and Kang Sheng, though he appeared in June when the Romanian government delegation visited China, has been otherwise invisible since December. He has missed many functions that his rank and office would lead one to expect him to attend.

Still more mysterious, Hsieh Fu-chih, former Minister of Public Security and a key man in the Cultural Revolution who ended up as boss of Peking, made only a fleeting appearance to greet the Romanians, his first since March last year. Named first secretary of the new Peking party committee this spring, he has played no part in its functions and his deputy has taken his place. It is possible that he and Kang are unwell, especially as figures who were not present at the May Day celebrations in Peking were excused as too ill or too busy. However, it is curious that casualties among top leaders should be so relatively high. It is not easy to guess what political motives could be behind Hsieh's disappearance, since he is not a radical Leftist, but he clearly played an important part in the Cultural Revolution and must have made enemies during it.

In the provinces too the prominent figures who were identified with radical leftist or factional fighting have been left out of the new party committees. The military predominance in the temporary administration which was set up to restore order during the Cultural Revolution has been maintained. A good many former government and party officials have been rehabilitated, and the workers and peasants who were supposed to rise to the top have quietly disappeared from view. With the notable exception of Shanghai, where the two leaders who surfaced in 1967 have retained their power, the new party committees look like an alliance of the army and the conservatives. The Chinese press no longer talks, as it did in the early days after the Cultural Revolution, of a "three-way

alliance" of military, officials and the "masses", but of an alliance of old, middle-aged and young, a formula which cuts out the embarrassing presence of workers, peasants and students.

At the grass roots, party rehabilitation is also progressing, and may well be achieved in another few months. Low-level party leaders have been put through their paces in order to reform their attitudes, although in most cases there cannot have been much doubt of the eventual outcome as Peking's message over the last two or three years has been that only a fraction of the old officials were really bad. Most of them could be, and have now been, reformed through a spell on the farm or the workbench, and are resuming their old jobs.

As the Leftists leave the Peking stage, it is taken up more and more by the bureaucrats. At the hub of these is Premier Chou En-lai whose control of domestic affairs, even though shared with the army, must be much greater than before the Cultural Revolution. Chairman Mao has withdrawn from the conduct of daily events. Previously Chou had presumably to reckon with the head of state, Liu Shao-chi, and other important figures who vanished in the turmoil; he was also surrounded by a powerful team of administrators such as (former Ministers) Chen Yi (foreign affairs) and Li Fuchun (planning).

To-day he dominates the entire Government, and works with a younger, much less industrial team. His power in the last analysis depends to some extent on the army, but throughout the Cultural Revolution and later, the military backed up the moderate line, and he and they seem to share the same goals. In the army, with the possible exception of Vice-Chairman Lin Biao, Ministers of Defence and Mao's designated successor, there is no-one to touch him for prestige, and Lin himself is a shadowy figure whose degree of involvement in policy-making is unknown. It is probably Chou En-lai who wields most of the power in China to-day, and if Nixon's visit to China is a success, it will be a triumph not just for the American President but for the Chinese Premier.

NEW ZEALAND'S RESERVES UP

WELLINGTON, August 2.

NEW ZEALAND'S official overseas reserves increased by \$NZ114.3m. to \$NZ2459.3m. during the year ended June 1971, the Reserve Bank of New Zealand said.

A sizeable capital accounts surplus and the second allocation of Special Drawing Rights were mainly responsible for the increase. Overseas investment in the aluminium smelter at Bluff was the major contributor to the capital account. Reuter

Indonesia's stability creates problems

BY OUR OWN CORRESPONDENT DJAKARTA, August 2.

THE PROGRESSIVE disappearance of price inflation in Indonesia during the past half year is forcing the Government to revise monetary policies so as to increase official revenue.

The official 82-item Cost of Living Index has been static for the past six months and although the validity of the index has been questioned on the ground that it was compiled too long ago (in 1957-58) there is general agreement that prices have been very stable. This has had an adverse effect on the Treasury's receipts from taxes and import duties which are its main source of funds.

In order to cope with the situation the Government has introduced the following measures—

(1) The withholding tax on imports financed by the system known as "merchant's letter of credit" has been raised from 3 to 6 per cent. The "merchant's letter of credit" system is used to finance imports from Singapore and Hong Kong, where interest rates are relatively low. The system will remain profitable despite the higher withholding tax.

(2) A 15 per cent. tax has been imposed on interest from bank certificates and time deposits.

(3) The Government is cutting the availability of investment credits for non-priority projects. Under the new system applicants must supply 50 per cent. of the capital for non-priority projects. In the meanwhile the Government is stepping up its efforts to increase receipts on existing taxes by checking the tax payments of senior officials. The Cabinet decided last week that senior officials must fill out a "statement of personal property" which will help the fiscal authorities to detect tax evasion.

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Norman & Bennet Limited
established 1924
DISCOUNT BROKERS
Current Assets £39,496,560
at 30th June, 1971
Dealers in: Treasury and Bank Bills.
Sterling Certificates of Deposit.
Short dated British Government and Local Authority Bonds.
Call and Short Notice money.
5 Fenchurch Street, E.C.3. 01-626 6351

INTERIM STATEMENT
CHARLES ROBERTS & COMPANY LIMITED
HORBURY JUNCTION, WAKEFIELD
INTERIM REPORT—FINANCIAL YEAR 1970/71
Group profits, which in the case of the half-year ended 1st April, 1971, are subject to audit, are as follows:—

	Half-year ended 1.4.71	Half-year ended 2.4.70	Year ended 1.10.70
Trading Profit before Depreciation	207,866	172,917	403,317
Deduct: Depreciation of Fixed Assets	76,712	74,364	154,724
Trading Profit	131,154	98,553	248,593
Add: Income from Rents, Investments, Bank and Other Interest	2,325	2,508	4,600
Profit before Interest on Bank and other Short Term Borrowings	133,479	101,361	253,193
Deduct: Interest on Bank and other Short Term Borrowings	12,538	17,733	32,447
Profit for the Half-Year	120,941	83,628	220,746

TAXATION—As a result of past losses it is not anticipated that there will be any liability to taxation on the profit for the half-year ended 1st April, 1971.

DIVIDEND—The Board anticipate being able to recommend a dividend of 14% for the year.

R. MURFITT LIMITED—Since the end of the half-year we have acquired the share capital of R. Murfitt Limited of Wisbech from Associated British Maltsters Ltd. for the value of the plant and stock required by us to carry on the business of manufacturers of aluminium road tank and bulk carrying vehicles for the conveyance of powders and animal feed-stuffs.

HALF-YEAR'S TRADING—The profits emerging from the first half-year reflect a useful increase over the figures of the comparable period of last year. With a continuation of the present level of activity, the results for the year should show further improvement.

All of these Securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

\$100,000,000

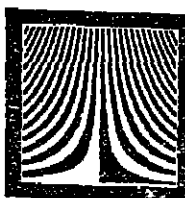
CHRYSLER FINANCIAL CORPORATION

9% Notes Due 1976

Interest payable January 15 and July 15 Due July 15, 1976

The First Boston Corporation

Dillon, Read & Co. Inc.	Kuhn, Loeb & Co.	White, Weld & Co.
Blyth & Co., Inc.	Drexel Firestone	Eastman Dillon, Union Securities & Co.
Halsey, Stuart & Co. Inc.	Hornblower & Weeks-Hemphill, Noyes	Kidder, Peabody & Co.
Paine, Webber, Jackson & Curtis	Salomon Brothers	Lehman Brothers
Wertheim & Co.	Dean Witter & Co.	Bache & Co.
A.B.N. Corporation	Allen & Company	Basile Securities Corporation
A. G. Becker & Co.	Burnham and Company	CBWL-Hayden, Stone Inc.
Dominick & Dominick	Equitable Securities, Morton & Co.	EuroPartners Securities Corporation
Hill Samuel Securities	E. F. Hutton & Company Inc.	W. E. Hutton & Co.
F. S. Moseley & Co.	The Nikko Securities Co.	Nomura Securities International, Inc.
Reynolds & Co.	L. F. Rothschild & Co.	Shields & Company
Spencer Trask & Co.	G. H. Walker & Co.	Walston & Co., Inc.
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		Skandinaviska Banken
		Kreditbank N.V. S. G. Warburg & Co. Limited



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

RESEARCH

Solid-state clock

A solid-state electronic clock with no moving parts at all has been developed by Motorola Semiconductors as part of a research programme designed to stimulate advanced applications and manufacture in the watch and clock industry.

Instead of hands there are two circles of tiny light-emitting diodes (gallium-arsenide-phosphide) which directly convert low-level direct current into bright red light. An outer circle of 60 lamps indicates minutes and seconds, and the inner circle of 12 lamps shows hours. This arrangement only requires three lamps to be lit at any one time, minimising the current drawn to the extent that two small batteries can drive the clock for a

year before replacement. A quartz crystal is used as the timing element to generate pulses which drive integrated circuits that switch the lamps.

Great time-keeping accuracy is consequently obtained and in addition, since the electronic components used are hermetically sealed to be impervious to knocks, vibration and dirt, the need for periodic maintenance and cleaning is eliminated and the clock is claimed to be highly reliable.

Motorola expect that a fully integrated circuit in which a single monolithic unit contains all the circuitry except the quartz crystal and the diode lamp, will be available for use in clocks within a year.

Temperature test chamber

Primarily designed for the testing of large transformer assemblies, the Model ZTK 31152 temperature test chamber now available from Avo. Archcliffe Road, Dover, Kent, can accommodate assemblies weighing up to 2,000 lbs and with approximate dimensions of 6 feet x 3 feet diameter. The chamber has an internal working volume of 74 feet x 44 feet x 44 feet and a temperature range of -50 degrees C to +200 degrees C. The associated instrumentation is complete with an automatic programme recording controller for the cycling function.

The chamber is manufactured by Associated Testing Laboratories of New Jersey, U.S.

10 Hz—a frequency that will ensure a substantial depth of penetration of eddy currents. The magnitude of resultant differential voltage is then a measure of the physical properties depending on the part of the B-H curve chosen.

For instance, if heat treatment was under examination, the equipment would be set to work at the saturation part of the B-H curve.

Known as the Magnatest QP, the equipment is made by Foster in West Germany. Coils from 2 mm to 500 mm are available, and special diameters and coil shapes can be supplied, for instance for use with sheet metal. Also available is a monitor for semi-automatic sorting. In conjunction with a mechanical sorting system, high speed fully automatic sorting and counting into three groups is possible—for example soft, correct hardness, and too hard.

Magnetic materials tester

AN instrument that enables ferro-magnetic materials to be tested for hardness, composition, heat treatment and other parameters by comparing the magnetic properties with a known sample, has been put on the market by Wells-Krautkramer of Blackhorse Road, Letchworth, Herts.

The reference specimen and the test part are inserted into a comparator coil and a test coil respectively. Then, working on a chosen part of the B-H curve, current is applied to the coils at

COMPUTERS

Technology program directory

THE European rights to "Computer Programs in Science and Technology" (CPST), a computer program directory developed specifically for scientists, engineers and research directors, have been secured by Peter Peregrinus of Stevenage, Herts., from Science Associates/International of New York.

CPST is designed as an "idea catalogue" to show how others

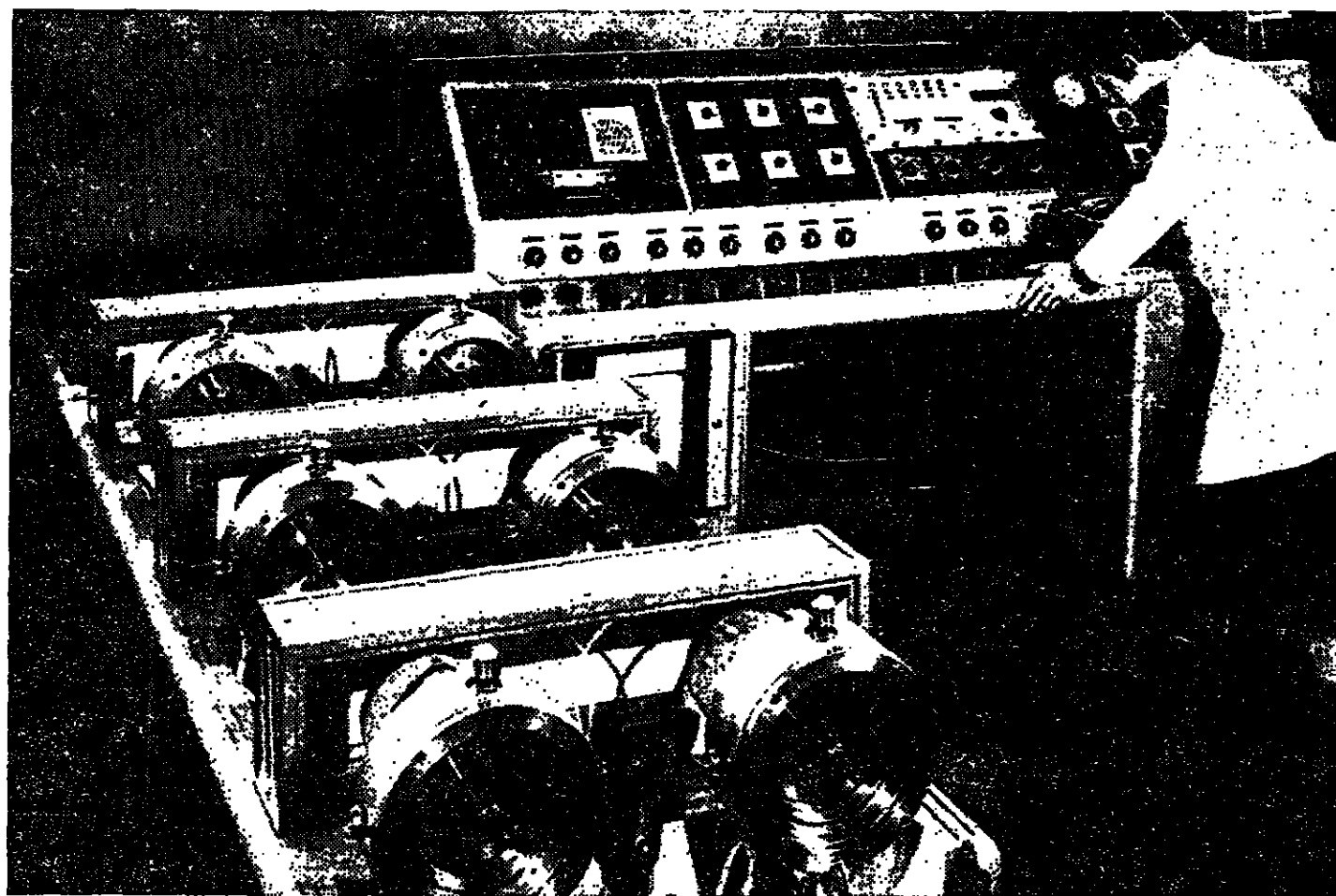
INSTRUMENTS

Monitors computer rooms

A COMBINED temperature and humidity recorder with audio and visual alarm systems has been introduced by Eaton-Williams Products for use in

computer rooms and similar applications where close environmental control is necessary.

The self-contained installation produces a continuous circular chart record of the temperature and humidity each in a different coloured ink. An electronic alarm system is controlled by high and low limit arms on the recorder chart face. Warning is given by an audible alarm, while neon indicators signal mains supply on, air conditioning fault, and high or low temperature or humidity. The standard unit provides one



have used the computer to solve their problems.

It covers agriculture, automation, biological sciences, chemistry, earth sciences, electronics, engineering, instrumentation, materials, mathematics, medicine, operations research, computer science, and physics, among others.

CPST, to be issued quarterly, contains some 300 new and different program descriptions in each issue. Programs are indexed exhaustively by keywords selected from program titles, descriptions, subject areas, possible applications and acronyms in order to provide maximum accessibility. Entries are arranged alphabetically by institutional source and contain title, author, general description, status, hardware and software

specifications, special requirements (if any), availability data and contact for additional information.

Automation in steel making

VARYING speed and temperature of steel strip in rolling mills requires experience and quick decision in control of the water sprays used for cooling.

The job has now been taken over by a computer in the new Burns Harbor plant of Bethlehem Steel, Bethlehem, Penna., U.S. Inputs are the speed of strip, its acceleration as the rolls are brought up to normal speed, and the temperature of the emerging metal.

These variables are fed into the computer where complex heat transfer equations have been stored. The computer takes the result of the equation solution and converts it into control instructions for the water sprays. In addition to deciding which and how many sprays are to be used, the strength of the water pressure is also fixed by the computer.

Computer users' panel

MANAGERS of over 700 computer installations in Britain have agreed to take part in a special marketing research service which is to be launched by Urwick Dynamics, the computer management consultants. The service will be available to all suppliers of computers and ancillary equipment, service agencies, service bureaux and software houses.

The problem facing companies launching new products or services—in the face of fierce competition—is that there is a strict limit on the marketing information that they can glean from their own records. According to Urwick Dynamics, more marketing research is needed which must not only provide unbiased external information but also reflect the views of potential customers.

This is the basis of the new service being offered by the company. Surveys will be split into three main areas: technical evaluation, desk research and field research. The Computer Users' Panel will be used for field research. Between them, the members present a complete cross-section of computer installations valued at more than £70m.

Each panel member has informed Urwick Dynamics about his range of equipment and has given some basic information about his company. Marketing research inquiries therefore will be channelled to various panel members who are best placed to make an objective assessment of the product or service being offered.

No panel member will be asked to take part in more than six surveys a year. Normally members will be asked to complete a questionnaire but on some occasions some may be interviewed by an Urwick Dynamics consultant.

revolution of the 10 in recording disc in seven days, but one revolution in 12 or 24 hours can be supplied on request. Provision is made for fitting sensing elements into the case of the recorder to produce a single fully self-contained unit.

Lightning detector

SPECIAL sensitive silicon cells are used in instruments devised to detect thunderstorms as much as 100 miles away.

The light-sensitive cells will detect lightning reflected from clouds even when it is too faint to be seen by human eyes. The instrument was built by the Institute of Mining and Technology, Socorro, N. Mex., U.S., for its study of thunderstorm processes.

The cells are wired so they will respond to the quick changes in light intensity caused by light-

ning, but will not give false readings in the slower changes caused in sunlight by clouds or haze.

The Institute's study is to learn why electricity is formed in thunder clouds. The current theory is that ice crystals have a positive charge and water droplets are negative, building up a potential in the cloud.

PRODUCTS

Identifies wires quickly

WIRES in large bundles can be identified by colour coding, number stamping, tagging, or "ring out" methods using buzzers. According to Thomas Betts International of 90-93 Cowcross Street, London EC1M

6JR, these methods are not always reliable and it has introduced a system called Cable Scan which, it is claimed, saves substantial production costs in wire assembly by eliminating errors and reducing termination time.

The system can be used with stripped or unstripped wires. It can be used by the makers as a production identification tool, a wire marking aid, as a means of identifying a wire to be terminated and in helping inspectors test for continuity or shorts. The equipment contains 200 signal inputs on four connectors, each with 50 contacts. Contact of the signal output or earth connection to any input produces a three digit reading display on a glass screen. The operator assigns numbers from 001 to 200 to the wires or terminals in the cable or harness assembly that is to be fabricated, and these are connected to the respective Cable Scan inputs via an adaptor cable.

A special wrist strap is worn by the operator to provide a maximum loading of 5 kV per square meter and produced in any shape or size. Heating mats of this type can also be made in continuous rolls 36 inches wide from which any required size can be cut.

Provides a source of heat

DESIGNED for storage tanks, process vessels and other types of industrial equipment an electric heating mat made by Hotfoil of Heath Mill Road, Wombourne, Wolverhampton WV5 8AL, is constructed from flat elements contained within a woven glass fabric and enclosed in a flexible outer cover. It is suitable for temperatures up to 450 degrees C.

The mat can be rated up to a maximum loading of 5 kV per square meter and produced in any shape or size. Heating mats of this type can also be made in continuous rolls 36 inches wide from which any required size can be cut.

Indicates position of valves

SIMPLE DIAL indicators that show the degree of angular opening of a valve at a glance have been announced by Contropne, Carnyne Industrial Estate, Glasgow E2.

These units fall midway between indicator lamps which give limited information and fully calibrated displays which can often be difficult to read. Indication is by a bar, contrasting strongly with the dial, which shows the position of the valve by an analogous angular displacement. No calibrations apart from the open and closed positions are indicated on the instrument face, which has a diameter of slightly over 2 inches.

Position is signalled to the indicator by a potentiometer mounted on the valve shaft. Within the instrument itself is a servo system incorporating two potentiometers giving zero setting and scale adjustment. Power supply requirements are 6V positive and negative and a common line. No additional amplifiers are required, which makes the indicator easy to install and comparatively inexpensive. Power supply failure means that the dial shows the last valve position, while any faults in the connections between the valve potentiometer and the servo is indicated by the bar moving to

the over-open or over-closed position.

The units are designed for use in mimic displays for ships and process plant. As such, they are simple to mount, being secured by a body clamp and two pressure screws. Required hole diameter is 2.030 inch, and the length of the body is 4 inches.

Spanners in tough plastics

CONVENTIONAL steel spanner are dangerous when being used on live equipment or in areas where they may cause a fire by generating a spark which dropped.

To overcome these dangers, Repworth Electrical Developments of Holmfirth, Huddersfield, Yorks, has designed Whitworth ring spanners in plastics. Size covered by the standard set is from 1/4 to 1 1/2 inch.

They are intended primarily for use on nuts and bolts made of brass or other materials with a similar tensile strength. Each spanner is individually tested to a torque analyser to a limit equivalent to that afforded by material having an ultimate strength of 22 tons per square inch.

Cost for a set of seven is £2.2 with reductions for quantity.

PROCESSES

Reclamation system for most fluids

SOLIDS, acids, carbon and water can all be removed from, for example, oil in one simple step by a multiple reclamation system recently introduced by Filtec Reclamation, of Redditch, Worcestershire.

Based on the equipment is Fuller's earth bed which removes solid contaminants and acid. This filtration stage, like later steps in the extraction process, takes place under vacuum, as the filter bed is suitable for most of the liquids normally requiring purification in industry, although alternative materials can be supplied if necessary.

When the liquid leaves the filter it drops on to an evaporator which boils off water or other volatile contaminant. Finally, a cooler brings down the temperature of the liquid below its boiling point so that there is no risk of carbonisation when it leaves the vacuum chamber.

The best exchanger has a dual action, taking heat out of the effluent liquid and using it to raise the input to the necessary temperature.

The standard model as supplied by the company has capacity of 40 gallons per hour although these can be ranged upwards for higher throughput. Alternatively, the company prepared to scale up the system for particular requirements.

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H & R Johnson - Richards Tiles Ltd

(CERAMIC TILE MANUFACTURERS)

Review by

Mr. Derek H. Johnson

Extract from 1971 Group Accounts		
	1971	1970
Group Profit before depreciation	£2,805,298	£2,384,958
Net Profit after Taxation	£824,067	£528,782
Ordinary Dividends (Interim & Final)	18%	15%
Preference Capital	£178,370	£178,370
Ordinary Capital	£1,795,271	£1,795,271
Reserves and Undistributed Profits	£9,421,311	£9,247,438

The 36th Annual General Meeting of H. & R. Johnson-Richards Tiles Limited will be held on Wednesday, the 25th August 1971, at Stoke-on-Trent.

The following is the circulated Review of the Chairman, Mr. Derek H. Johnson.

I am pleased to report that the cautious optimism to which I referred in the interim statement issued on the 23rd January last has proved to be more than justified. Group external sales increased by a little over £1.0m, despite a fall of £0.2m in direct exports. Group trading profit, before tax, for the year ended 31st March 1971 amounts to £1.50m, as compared with £1.08m the previous year. The whole of the improvement arose in the second half of the year, and was mainly attributable to the fact that the U.K. factories were operating nearer to capacity than at any time since the completion of the major reorganisation and rationalisation to which I referred two years ago. The increased production potential generated by this programme is now standing us in good stead. You will also notice that the liquid position of the Group has improved during the year. Bank and other borrowings having been substantially reduced. The other item in the accounts I would like to mention is the settlement for breach of contract. This relates to an export sales contract dating back to 1959.

The overseas factories have generally had a satisfactory year and in all cases have expanded their productive capacity. I am pleased to report that the South African factory has again increased both its sales and profits, and the current trading conditions and prospects remain good.

In Australia we have continued to face heavy competition from imports but, due to our confidence in the longer term prospects in this market, we are currently engaged in a substantial programme of capital expenditure on plant and equipment which when completed will contribute significantly to the reduction of manufacturing costs. We are also engaged in a vigorous marketing programme which includes the introduction of Do-it-Yourself tiles to the Australian market and the initial response to this product has been excellent.

In Canada the severe competitive pressures under which we have been working show some signs of easing and, coupled with this, improvements in manufacturing processes and in distribution should show benefits in the current year.

During the year our Associate Company in Greece completed the first stage of their factory

extensions. The new production facility came on stream in May of this year and the increased productive capacity of the Company has been matched by an increased demand for its products.

In India our policy of steady expansion and growth has been continued and I can report another year of successful trading. Our Associate Company in New Zealand has also continued to develop demand for its products and has expanded its capacity accordingly.

The overall improvement in the results of the Group is the outcome of the continuous effort that has been made by the staff and operatives throughout all divisions, both at home and overseas, and I am sure they will be greatly encouraged by the improved profit showing through in the latter six months. On behalf of the shareholders I would like to offer them our warmest thanks for what they have achieved.

During the year Mr. A. P. Com. tendered his resignation which the Board accepted. I should like to place on record our appreciation for all his services to the Group.

Demand from both home and export markets is currently running at a high level. To encourage this demand further, we have developed new product ranges of decorated tiles for introduction during the coming months. This will strengthen our position vis-à-vis competitive materials.

Thanks largely to the efforts of our New York based Marketing Company and despite a technical finding of dumping in relation to a small proportion of our sales to the United States—a situation which was promptly remedied—we are finding it difficult to satisfy the United States demand for our products.

So far as Europe is concerned, steps are being taken to strengthen our marketing organisation on the Continent, notably by increasing our direct participation in the market. As a first step a wholly owned subsidiary marketing and distributing company has been established in Sweden and has now commenced trading.

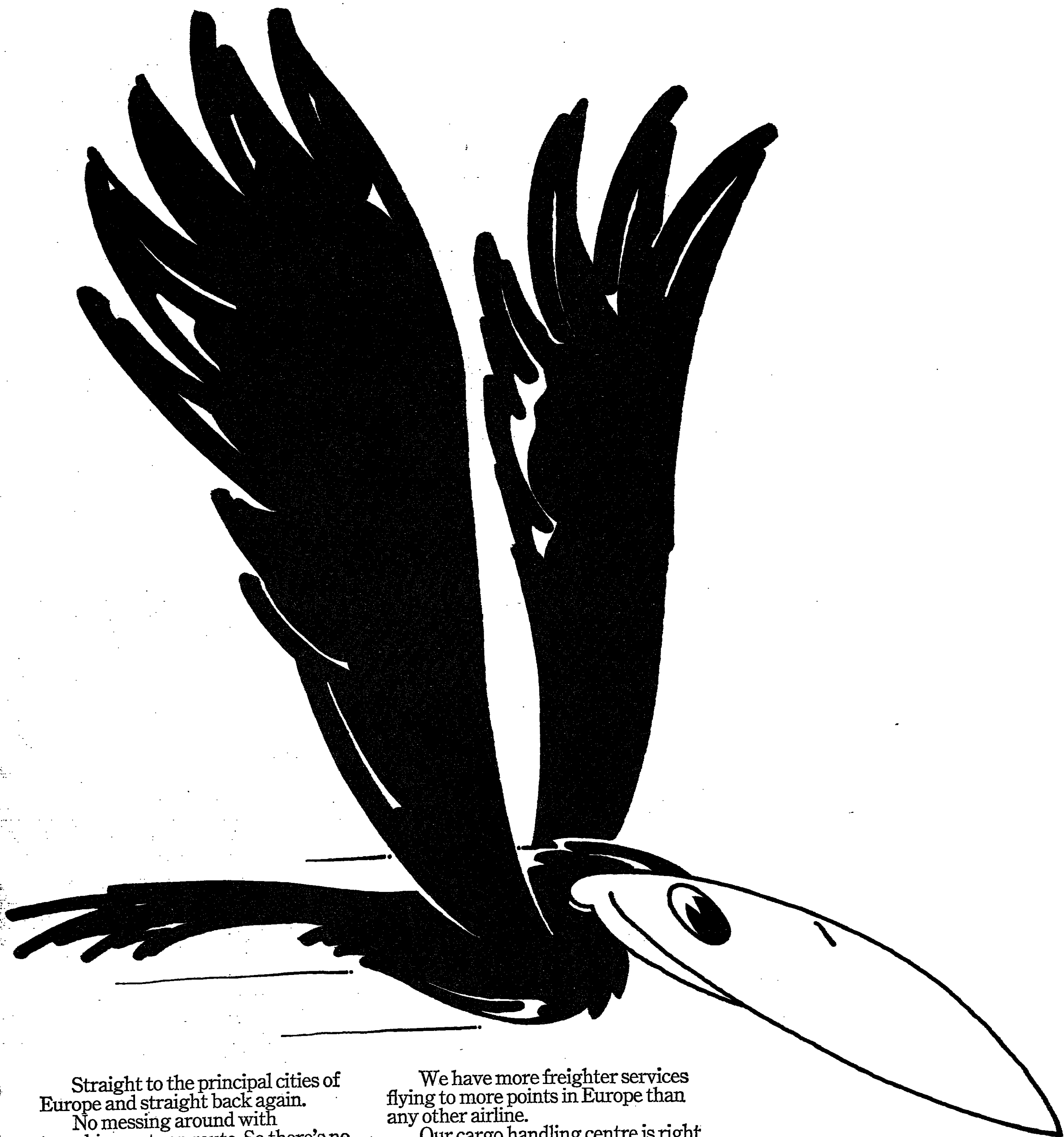
The Board view the prospect of Britain becoming a member of the EEC as a competitive challenge which can be met with confidence if, after entry, the Government recognises the importance to the National Economy of substantial exporters and realises that the outcome of any race is always much influenced by the impositions of the Handicap Committee.

Despite steps which the Government has taken to combat inflation, costs of production continue to rise appreciably and we consider it desirable, in the current year, to initiate capital projects designed basically to improve our competitive position. These will be financed out of the Group's current resources and facilities.

I am pleased to say that, in the light of the results for the year and the current satisfactory trading conditions, your Board feel it appropriate to restore the cut of 3% in the final Ordinary Dividend which it thought necessary to make last year in order to conserve financial resources. The Board accordingly recommend a final Dividend of 9% making 18% for the year.

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COMPANY NOTICES

The Executive's World

EDITED BY
DAVID PALMER

Women's lib hits Japan

BY HENRY SCOTT STOKES

THE WESTERN image of the Japanese woman is that of a porcelain beauty, whose very limbs threaten to snap off, she is so frail. Japanese women are expected, in the Western stereotype, to be retiring and bashful, as shy as mountain deer, and quite unwilling and unable to enter the hurly-burly of daily life.

Yet what is happening in the cosmetics market in Japan at the moment suggests that it is time for the stereotype to be abandoned, time to discard the image of the frail Japanese lady leaping into dreams behind her raised ivory fan, and to recognise the woman-power is playing a role in the Japanese business world.

This, at least, is what is suggested by the tale of Chifure, an organisation of Japanese women, and its battle for the Japanese cosmetics market. Chifure is a body claiming the allegiance of some 6m. Japanese ladies. It is vigorous, well-organised, splendidly administered and highly independent of corrupt male influence. Founded in the post-war years ("Chifure" stands in full for "Chiki Fujin Rengo" or Local Women's Association), its growth has been explosive. Its ambitions have also been more dramatic than those of the more long-established Shufuren, a women's organisation which has been in the limelight since the early 1950s in Japan.

Chifure three years ago embarked on an experiment in direct business action of a kind which the older Shufuren has never quite dared to indulge in. In the early 1960s Shufuren carried out national boycotts against the electric power industry (refusal to pay bills), the rice dealers (accused of selling stale yellow crops), the milk industry (excessive price increases) and, in the early 1960s, the canned food people (misleading labelling).

But Chifure went one better in August 1968, when it entered a manufacturing field (cosmetics) directly. Instead of using the weapon of the boycott, it decided to go into production as a rival of the company which it chose to criticise (Shiseido, the largest Japanese cosmetics firm).

In August, 1968, Chifure tied up with a small manufacturer in the cosmetics field, Tokyo Jitsugyo. The idea was to sell by mail order, using the label "Chifure," which has a soft and appealing ring to it in Japanese. The proposal was to sell all products for a given, fixed price, Yen 100 (about 12p)—including



Stepping into the hurly-burly world of selling cosmetics.

lipstick, lotion, powder, cream, mascara, eye-shadow; whatever the product the price would be the same. Cheap polyethylene containers were to be used instead of glass ones. And the main point to be made in publicity would be that the contents of Chifure cosmetics would be equal to the best in use in the cosmetics business in Japan (that is, those employed by Shiseido, which has much the largest market share). Prices would be far lower—thus, where Shiseido prices ran up to Yen 1,000, Chifure prices would be just Yen 100 an item.

The whole purpose of the exercise was to attack Shiseido's "excessive profits." At first

progress was very slow. Then, aided by publicity in weekly magazines, and also Chifure publications, sales of the new Yen 100 products gradually began to build up. When mail order sales were begun in November, 1968, monthly sales were of the order of 100,000 items (that is, only Yen 10m. or £11,500 worth). During the following year and the first part of 1970 sales increased steadily from this low base, averaging some 200,000 items a month. This was still making only a tiny impact on the huge Japanese cosmetics market, estimated at more than Yen 200,000m. (more than £230m.).

In October, 1970—only two years after entering the market—Chifure people felt sufficiently confident, however, to launch their first major sales campaign. This emphasised that 1—The content of cosmetics varied very little; 2—Whereas Shiseido paid Yen 100 or Yen 1,000 for a lipstick, the only difference between the two items would be in the packaging and the label. The Japanese Press, including the big daily newspapers, was receptive to these arguments, and gave them great publicity at this time. Sales, still by mail order only, rose to 250,000 items a month.

Encouraged by the reception being given to both their products and their arguments after only two years in business, Chifure finally decided that the experimental days were over. The decision was taken to invest in a new factory in Yokohama, which was completed in May this year, and is now in production with a monthly capacity of 2.7m. Chifure items. Simultaneously, mass sales were started through supermarkets and department stores, including the most prestigious store in Tokyo, Mitsukoshi (the rough Japanese counterpart of Harrods).

The first response this early summer was a one-day on-shop sales of 1.2m. units in May and another 350,000 items via direct mail. Sales by mail rose simultaneously with the start of sales through the shops. Last month the figures were up again, shop sales reached 1.4m. units and mail order ones rose to 310,000 in all—giving a total of more than 2m. items, more than 10 times the initial sales in the autumn of 1968. On these figures Chifure products would reach a sales total of more than £2m. a year. This would be still only a small share of the Japanese cosmetics market.

But it has been a good effort

by a complete newcomer to a competitive market into which Chifure has had to fight its way against the opposition not only of Shiseido, but also Kanebo, Max Factor, Revlon and many others.

Chifure's sales campaign is now, however, "at a delicate stage," people in the industry believe. In the last couple of months, following the first appearance of Chifure products in the shops and department stores, there has been a mad rush to buy. But this has slackened off very recently. Chifure certainly has its problems. Its polyethylene containers, for instance, are non-disposable—and the organisation has elsewhere criticised manufacturers who used such materials for making containers. It faces the need to be consistent, and to use glass instead of polyethylene, but this would increase costs, and would probably make it essential to raise prices above the vital Yen 100 an item line. The last thing Chifure wants to do "at a delicate stage" is to raise prices.

Loyalties

Another problem is that brand loyalties are exceptionally strong in the cosmetics field, and the sway of fashion is hard to predict. Thus there is a fear that those women who were temporarily lured into Chifure products may now be gravitating back to Shiseido again—though they may tend to go for cheaper lines than those they favoured before-hand.

Even if the worst were to happen and Chifure products were driven back out of the market, however, the militant women would have made their point: that Shiseido prices were high—a fact which is seemingly acknowledged by the cosmetics manufacturer itself. This has been the minimum achievement of the first venture of woman power into business in Japan.

EMPLOYEE BENEFITS

What the EEC has to offer

BY DRYDEN GILLING-SMITH

A BRITISH company wanting a quick assessment of the variegated European pensions scene would do well to look at the different ways in which EEC employers back up their promises to pay future pensions. While we in the U.K. take it for granted that all self-respecting employers will fund their pension liabilities—so that a portfolio of assets is built up either by an insurance company or by an alternative funding agency for each employee—this is not universal practice across the Channel.

In previous articles I have sketched in some of the differences in the social security framework that must inevitably influence the form and quantum of company benefits. This week I want to look specifically at the way pensions are funded (or not funded) in certain EEC countries, and the implications of these different practices for British employers operating in the EEC.

For practical purposes I shall restrict my comments to Germany, France and Holland. Private pension coverage in Italy is relatively insignificant and Belgian practice largely follows Dutch.

1. Germany

Pension scheme coverage in terms of total workforce is comparable to that in the U.K. Benefit levels are, however, considerably lower. While the amount paid out to employees each year in U.K. occupational pensions exceeds the amount paid in State pensions, the German picture shows a mere 2,000m. marks a year paid in occupational pensions while some 43,000m. marks go out annually in the form of State pension payments.

Some German employers operate insured pension schemes and others have self-funded funds. But about 70 per cent of

all employees in German company schemes have their benefits financed simply by book reserves in their employers' balance sheet. This system, known as the *retirement benefit pledge*, has been actively encouraged by legislation which allows the employer to obtain tax relief on money that he ploughs back into his own business provided he earmarks it to provide pensions for his employees at a later date.

One hardly needs to stress the dangers of such a system with the memory of Rolle-Royce and similar industrial catastrophes fresh in our minds. Had the German system operated over here, redundant employees of such companies would have lost their pension savings as well as their jobs. Criticism of this method of pension funding is now growing in Germany itself and a number of trade unions are insisting that employee representatives should have a substantial voice in Board decisions because many companies' internal pensions investments have reached the point where they constitute a very large proportion of the company's net worth.

Benevolent employer

The barrier to change lies largely in the fact that German management and German legislation has been severely paternalistic. It has fiercely resisted the concept of pensions as a part of total remuneration—preferring to hold to the view of the employer as a benevolent Führer with a duty to protect his ex-employees. Significantly the key legislative enactment dates from 1938—the heyday of the Nazi era. As one would expect, transferable pension rights hardly exist at all in the

German occupational pensions context.

2. France

In contrast to the militant paternalism of Germany, private sector pensions in France epitomise democracy and employee participation. A nationwide system of *regimes de retraites complémentaires* cover over 9m. employees. Practically all pension rights are transferable and employee representatives generally have a 50/50 voice in scheme management. In fact many industrywide schemes have been set up as a result of Trade Union initiative and once agreement has been reached between the main employer and employee associations in a given industry, membership has by Government decree been made compulsory throughout the industry.

The Achilles heel of the French system is that benefits are not funded. Contributions paid by, or on behalf of, people at work are used to pay pensions of people who have retired, and like the State scheme in Britain this clearly poses problems when the numerical balance shifts as between pensioners and workers. Such a system presupposes an unlimited willingness on the part of future generations to go on paying out money for the benefit of their elders. To avoid the wholesale loss of confidence that would ensue from a cut-back in benefits the original concept has been modified considerably in recent years and substantial funds have been built up to buttress the system against short term fluctuations in income and expenditure.

The French repatriation system provided a valuable rescue operation in a post occupation economy where most conventional retirement savings had been inflated to near zero. For the past decade, however, successive French governments have

been trying to find a means re-introducing pension funds on U.K. lines.

3. Holland

Holland of all the EEC countries has by far the most advanced private pension legislation and practice. In a sense this is an amalgam of the features in the British and French systems with something else thrown in for good measure. Dutch pensions are properly funded as well as enjoy statutory provision for employee participation. Employee representatives enjoy a 50 per cent voice in the management of mutual employer plans—a marriage of British finance and French democracy.

A varied picture

The bit extra consists of regulations that the *Ten* have introduced that they introduce in the U.K.—transferability after five years membership of a scheme; restrictions on pension investment (by whatever means in the employer's business to per cent. of scheme assets). Current Dutch proposals to make pensions transferable after only one year's service; restrict investment in employer's business to 5 per cent. of relevant pension fund assets.

This is the European picture. It is not homogeneous and there is no reason why the U.K. should depart from its present path in order to follow a German or Italian example. The contrary, any increase in mobility of labour between countries in an expanded EEC is likely to make Germany, France and the Benelux (because Belgium, Luxembourg and the Netherlands are closer to Holland than any other countries) and British solutions

Colin Dare—a consultant who took his own advice

BY TERRY DODSWORTH

COLIN DARE is an engineer who has spent most of his life as a consultant and now runs a hotel. He is 41, and his hotel, the Richmond Gate, represents his first attempt to go it alone. "I always wanted to do something on my own," he says, "and I thought there was a place in the hotel world for something other than the main host attitude."

When Dare left the P.E. Consulting Group after an eight year stint, he took with him all the trappings of consultancy. He has

applied its lessons relentlessly at the Richmond Gate, an 18th century building which stands at the top of Richmond Hill next to the deer park. The building was ripe for development. It was run-down, old fashioned, unlicensed, residential. Dare has thrown out the aspidochelone, revamped the interior, doubled the number of bedrooms, and vigorously sold the hotel's bedroom and conference facilities to local companies.

He claims that he could not have accomplished many of the changes without his generalist business background. "I am a businessman first, and a hotelier second. It's nonsense to pretend that this is different from other industries." There is little doubt that the fairly detailed knowledge of finance, marketing and project control which consulting gave him have helped. Nothing illustrates this better than the building of a 44-bedroom extension in the hotel garden.

Many hotels are now going up in London which quote the building cost of a bedroom at between £4,000 and £5,000. Dare has built an extension at the cost of £2,000 per bedroom. The reason for this, he says, is that he has controlled the whole operation himself. He has done it faster and cheaper than any contractors were prepared to quote. It took him 20 months to get planning permission for the new building. But he used the time profitably. He hired an architect friend, and together they went through a detailed feasibility study on the building. Every item was costed. This helped him in two ways. First he found finance easier to raise because he could present precise figures to his backers (he put up half the £80,000 needed, the ICFE the other half). Secondly, he had a positive idea of how much each part and item of the building should cost.

Best tender

As soon as he put out tenders for contract, however, he found that none of the main contractors would quote him figures which came anywhere near his own for speed and cost. The best tender could only promise to deliver the building in ten months. He thought it should be possible in six.

So Dare decided to do the job himself. He gave up the part-time consulting work he had been doing, hired a site manager, sat down in the hotel and ran the whole operation. He dealt directly with all the 25 sub-contractors, and brought the building out bang on cost in six months.

While this was going on Dare was improving the main building. He has turned some of the rooms into conference halls, and is gradually improving the bedrooms. He has also sold his organisation aggressively and mailed 3,000 local firms. The result has been a swift build up of trade from businessmen. He now has a 78 per cent occupancy rate—"a financial occupancy"—all ratio of actual return per room on possible return—of his rooms. Since in the planning stage he was looking for a "conservative" 65 per cent occupancy rate, and since the hotel business has pretty low variable costs, he must be happy with his results.

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THE REAL BATTLE OF THE CLYDE...

Scotland's grim struggle for work

From ANDREW HARGRAVE, Scottish Correspondent, Clydebank, August 2

ON THE FACE of it, little has changed at the Clydebank shipyard of Upper Clyde Shipbuilders, the former John Brown yard, since the "work in" hit the headlines last Friday. The only visible signs are that the security men at the gate have been joined by shop stewards, in four-hourly rotations. They "vet" people and supplies coming into and leaving the yard, and provide access to inquisitive journalists, TV cameramen and photographers. And that is just about it.

On the nail

The "work in," in fact, is unlikely to be challenged for several weeks, or even months. There can be no question of the electricity being cut off (all UCS yards are in any case linked to sub-stations which serve hospitals and other vital installations), or of steel, liquid gas and other supplies being cut off so long as the liquidator, Mr. Robert Courtney Smith, pays on the nail. This he intends to do as long as he has work in hand. At Clydebank, for instance, this means fully eight months, although work will begin to taper off after the next launch and the delivery of two cargo ships, all scheduled for October. In the smaller Scotstoun yard in Glasgow, on the north side of the river, work may begin to dry up sooner, although not for six or seven weeks. As for the Govan yard and the Linthouse steel factory next door, both on the south side of the river, the liquidator intends to keep them going at full blast until UCS is wound up and its successor is set up by the Government. This is not expected until late October at the earliest.

Thus for a limited period the interests of the shop stewards who have organised the "work in" and those of the liquidator will run parallel. Both sides are anxious that work on the ships should proceed without interruption or delay. There are at present six on the berths in the three yards, plus a further three at Linthouse preparatory to building on the berth as well as seven "in the water" fitting out. No management function has so far been seriously challenged except for the watch at the gates and the "unauthorised" recording of Friday's mass

meeting at Clydebank by the Press and television. Although the liquidator was asked on the same day to conduct his business from his Glasgow office, he was allowed through to the group's headquarters at Linthouse this morning without molestation. No one knows, of course, how long "peaceful co-existence" between the stewards and the liquidator will continue. Next Monday, when workers at two of the three yards and the Linthouse unit return to work from their annual holidays, up to 400 people—mostly administrative staff and including some female clerical workers—will receive redundancy notices. Later in the week, the steel sections of a bulk carrier keel may be transferred from Linthouse to Govan instead of Scotstoun as originally planned.

Both decisions will be challenged by the stewards. They intend to ask the redundant people to continue to report for work—exposing them to the risk of losing unemployment benefits. They are also expected to appeal to fellow trade unionists involved in river transport to refuse the switch from Scotstoun to Govan. The Scotstoun yard, it should be noted, is due to close before the end of the year.

Next week's turn of events may well test the credibility of both sides. They will be the first real shots in the psychological warfare ahead. For while the battle is ostensibly over the continued existence of UCS in more or less its present form, it would be extremely short-sighted for anyone to imagine that this is an argument over commercial viability or even whether and to what extent British shipbuilding should be protected against overseas competition.

The real battle is being waged against massive and ever-worsening unemployment in Scotland. Last month's figure of 134,500—8.2 per cent of the insured population—was 41,000 more than in July last year and 54,000 more than in the same month in 1969. It was within 1,500 of the peak post-war figure for any month.

The situation is even more acute on Clydeside, with one man in ten out of work in the Glasgow area, and it is worst in Clydebank, where John Brown employs over 3,000 people in

danger of losing their jobs when the yard closes next March. Already there are 3,000 men out of work in the town. On the very day Mr. John Davies, Secretary for Trade and Industry, announced plans for "restructuring" shipbuilding on the Upper Clyde, a Clydebank company announced redundancies for 113 men—or 56 if the work force agreed to a four-day week.

Redundancies, closures, short-time working—this has been the grim saga for the past 12

months. Nevertheless, the situation today is vastly different from that of 1969. By and large Clydeside does not take kindly to Conservative Administrations (of the 35 MPs representing the area, only five are Tories). Equally, southern Tories have little time for the "Red Clyde"—and this goes for many industrialists and investors in general. If during its six years of office the Labour Government came in for some abuse for not being "Left" enough, now, with a Conservative Government

James Reid, finishing trades convener; Mr. Robert Dickie, convener at Govan; Mr. Sam Barr, convener at Scotstoun—plus a few others—have been talking to the Prime Minister. To Mr. Davies, Mr. Gordon Campbell (Secretary of State for Scotland), Mr. Wilson, Mr. Benn and Mr. William Ross (shadow Scottish Secretary), as well as to scores of MPs on both sides of the House. They have secured the backing of the Scottish TUC, the Clyde Confederation of Ship-

Party official, rising to Scottish secretary until economic circumstances forced him to return to the yard where he had served his apprenticeship. He has since been elected to Clydebank Town Council, as one of two Communist members, and is now a magistrate.

Both are men of colourful language—"butchery," "savagery," "prehistoric monsters" (applied to Tory Ministers) are used liberally. There is, however, a broad division of labour between

industry in the west of Scotland for one afternoon with between 30,000 and 40,000 people marching through the streets of Glasgow. The next one may take place later this month.

An appeal for funds to relieve hardship for those officially sacked by the liquidator but participating in the "work in" has also been launched. In the coming weeks, the hat is to be passed round many a Scottish factory and office, at trade union meetings and even places of worship. Unions will be asked for donations to follow the lead of the Scottish miners who are presenting a cheque for £1,000.

Although Mr. Wilson and the shadow cabinet are not likely to commit the Labour Party to go the whole hog with the stewards (in spite of Mr. Benn's own personal stand) they are unlikely to condemn it either while unemployment keeps rising in Scotland and in Britain. Nor is the Scottish TUC likely to offer a restraining hand unless things get out of control and take a violent turn.

For this is the nightmare that must haunt not only Mr. Smith, the soft-spoken, courteous and seemingly unemotional liquidator, but also Airlie, Reid and the other shop stewards—in spite of brave words about "not flinching" from a show-down.

months at a time when unemployment in Scotland is likely to hit new peaks each month.

Only a bold, generous and imaginative approach by Government and, one may say, by the Scottish business community, can counter this potentially threatening, socially divisive and economically disastrous situation. It will not be solved by the collapse of the "work in," the defeat of the shop stewards and the exposure of "1 Menace." It will not be solved—and here Airlie, Reid and shop stewards are right—"starving the workers into submission."

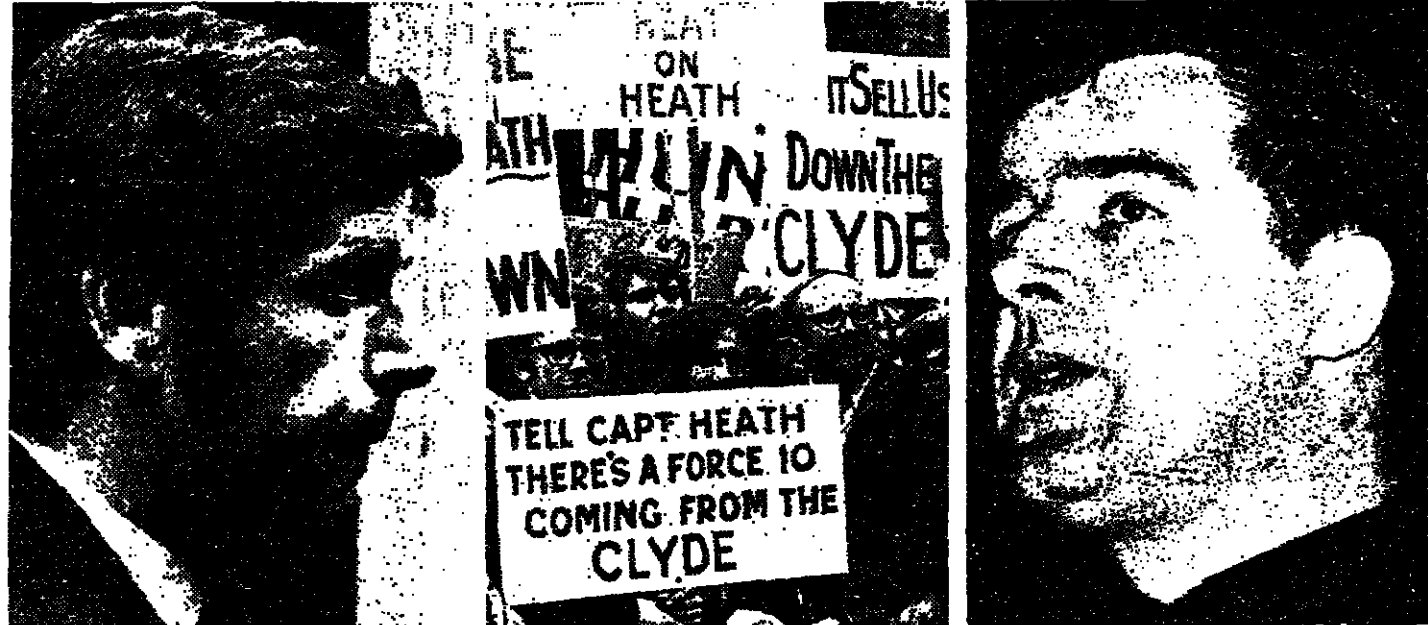
Sensitive

Action to relieve hardship this short term is limited. mini-Budget and even the £33m. to be spent on public works in Scotland over the next two years cannot have more than a marginal impact on employment in the coming months; nor will the designation of Clydeside as a special development area until the economy as a whole really is moving.

Previous Tory Governments have shown a good deal of sensitivity to the plight of North. It was the Governor of Mr. Harold Macmillan, which Mr. Heath was a member—that secured for Scotland on social rather than economic grounds the steel strip mill Ravenscraig, the motor vehicle factories at Bathgate and Wood, the Post Office Savings Bank in Glasgow. It began process of transforming Scottish economy which received such a jolt in the year.

In terms of present action Hunterston comes to mind, its deepwater iron ore general user terminals, steel field steelworks and Chevron refinery (vetted by Campbell); as do public works on a far more massive scale the extension of special development area incentives existing companies; additional incentives for investment training; a share of overspill government offices and research facilities.

Unfair to the rest of Britain? But the alternative chaos, strife, dereliction, despair, the last thing a Britain looking to Europe can afford



The UCS shop stewards most in the limelight—Mr. Jim Reid (left) and Mr. James Airlie (right). Airlie appears to be the organiser-in-chief, Reid plans overall strategy. Centre: UCS workers demonstrating in London.

months. That is basically why the plight of UCS attracts more public sympathy to-day than two years ago when UCS faced its first liquidation crisis.

Acrimonious

There are certain similarities between the rescue operations, then and now. Mr. Davies's insistence on the viability of the Govan-Linthouse rump may be compared to the "no safety net" warning by Mr. Anthony Wedgwood Benn, then Minister of Technology. The deal temporarily saving UCS carried the strings of full union co-operation, changes in top management and labour shedding which are the conditions of the operation mounted now by Mr. Davies.

In office, the acrimonious dialogue between Clydeside and the rest of Britain has developed into a slanging match. In a situation of this sort, those with the loudest voices and bitterest tongues are liable to be heard above the general din.

The senior shop stewards who have organised the "work in" and have led the fight against the Government's plan for cutting down UCS to what Mr. Davies and the "four wise men" believe to be a viable size, certainly do have loud voices and acid tongues. But they are no fools.

In the last six weeks Mr. James Airlie, chairman of the joint shop stewards' committee and convener at Govan; Mr.

building and Engineering Unions and full-time officials as well as Mr. Benn and a number of Scottish Labour MPs.

Oratorical

The shop stewards most in the limelight have been Airlie and Reid. They are both in their thirties, with a certain oratorical gift; both are engineers by training and Communists by conviction; both are family men. There the similarities end.

Airlie derives his power from the shop stewards' movement within UCS, having originally emerged during the birth pangs of the "Fairfield experiment" in 1966. Reid, on the other hand, was a full-time Communist

them: Airlie seems to be the organiser-in-chief while Reid plans the overall strategy. For however far-fetched the "work in" appears to the Government and to large sections of the general public, particularly in the South, there is a clear objective.

It is to involve the largest possible number of people right across the social, if not political, spectrum in Scotland and beyond. The churches have been drawn into the fight right from the outset and Clydeside clergymen have denounced what one called "callous indifference" by the Government. Public demonstrations by masses of workers are part of the strategy. The first one, on June 23, virtually immobilised

Hardship

At the same time the stewards know that the momentum has to be maintained if the whole exercise is not to fizzle out at the first stroke of real hardship. About 1,000 redundancies over and above the 400 already announced are due towards the end of next month.

Mr. Davies has mentioned the possibility of 1,000 people being re-employed in other yards on the Clyde. As Yarrow in Glasgow is unlikely to recruit in the near future, Scott Lithgow on the Lower Clyde is the only prospect.

Yet even if a high proportion of redundant UCS workers could be redeployed on the Lower Clyde, and assuming that the jobs of 2,500 were safe at the reconstituted Govan-Linthouse complex, this would still leave some 5,000 people looking for jobs over the next seven or eight

Labour News

Bank staffs to seek cost-of-living rise

BY ROY ROGERS, LABOUR STAFF

NOTICE of a pay claim for some 165,000 clearing bank staff, based on the rise in the cost of living between January 1 and September 30 this year, was given to the Federation of Bank Employers yesterday—seven months after the present pay deal came into operation.

The last settlement gave increases of between 7½ and 10 per cent, and was followed by a job evaluation of salaries from May 1. At that time, it was envisaged that there would be no further pay claims this year. However, since then the National Union of Bank Employees has complained of the "exceptional circumstances" brought about by the increasing cost of living and has urged the bank staff associations to join with it in seeking a cost of living claim from July 1.

The banking staff council, which is comprised of NUBE and the various staff associations, eventually decided to lodge their claim as from October 1. Although the actual size of the claim will not be known until the Department of Employment has compiled its statistics for September, judging from the January-July rise of about 6 per cent, it will probably be about 7 to 8 per cent.

Mr. Claude Smith, leader of

the banking staff council, said last night that the employers were now considering the matter and negotiations would take place at the appropriate time.

Barclays DCO

Meanwhile, NUBE has lodged a similar claim for its 2,000 members at Barclays Bank DCO as a result of their last agreement which included a cost-of-living threshold clause. That 10½ per cent deal negotiated last March and effective from January 1 precluded any further increases this year unless the cost of living rose by more than 5 per cent over the December, 1970, figure. Following the 5.6 per cent increase in the first five months, NUBE lodged a 6 per cent claim and negotiations are to follow later this week.

NATSOPA TO SEEK DE-REGISTRATION

The executive council of the National Society of Operative Fitters and Assistants (Natsopa) decided yesterday—in line with TUC policy—that it would ask to be removed from the provisional register of trade unions when the Government's industrial relations legislation comes into force.

Giro strike may spread

BY OUR LABOUR CORRESPONDENT

LEADERS of the Civil and Public Services Association will decide later this week whether to call out more of their Post Office members to join those who went on strike yesterday over the union's pay dispute with the corporation.

Yesterday, Mr. Bill Ryland, Post Office chairman, made an appeal in talks with Mr. Alistair Graham, CPSA official responsible for the union's Post Office members, for the strike to be called off. But Mr. Graham said afterwards that the stoppage would go on. "We are prepared for a long one," he said.

The CPSA is seeking to ensure that senior grade staff always get more than the people they supervise, which the union says, is not the case under a wage restructuring carried out by the Post Office. The difference between the Post Office offer and the union claim is only 4 per cent—8½ per cent on one band and 9 per cent on the other.

The union yesterday claimed 100 per cent support for the

strike from its members involved at the Giro centre at Bootle, Lancs., and at three other Post Office computer centres in London, Edinburgh and Derby.

Redundancy Fund is £1m. overdrawn

By Elisabeth Garguin

THE REDUNDANCY Fund is overdrawn by £1m. It is financed by employers, who pay 6.3p for every man, and 2.9p for every woman they have on their pay-rolls.

At the event of redundancies, they can reclaim half the lump sum payments they are obliged to make under the Redundancy Payments Act. In cases of bankruptcy the Government guarantees the lump sum payments, which depend on length of uninterrupted service, age and earnings.

More Labour News Page 19

Guillotine proposed for EEC entry Bill

BY JOHN BOURNE, LOBBY EDITOR

MINISTERS are considering a controversial plan to prevent anti-Marketters from wrecking the essential legislation which Parliament must pass next year if Britain is to join the EEC in January, 1973.

The scheme is that the main Bill to bring British law into harmony with the Community's regulations over a wide range of matters should be subject to a guillotine procedure and should go upstairs to a Standing Committee. The dedicated Tory anti-Marketters, and also the Labour Opposition, will press for all this legislation to be taken on the floor of the Commons, where a line-by-line battle could ensue.

But the Government's business managers believe that, although these two groups would try to defeat the procedural motion sending the Bill upstairs, the risk is worth taking. The Government would choose which Tory MPs should sit on the committee and would therefore be able to ensure that it had a majority.

However, the success of the plan would depend on how many Tory anti-Marketters would be ready to vote with the Labour Opposition, and, probably, the Liberals, in insisting that all stages of the Bill must be taken on the floor of the House.

Vauxhall signs CBI pledge on prices

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

VAUXHALL MOTORS has joined the other major car manufacturers in signing the Confederation of British Industry undertaking not to increase prices by more than 5 per cent over the next 12 months.

British Leyland, Ford Motor and Chrysler U.K. have already indicated that they will accept the CBI's initiative on voluntary prices restraint.

The Vauxhall decision, taken after "a thorough consideration of the undertaking and the reactionary measures announced recently by the Government," is a further indication that the CBI will get the support it is seeking.

So far none of the 200 major concerns asked to sign an undertaking on restraint have refused to do so, it is understood. Over 30 replies have been received, and most of the rest are expected before the end of this week.

A few companies have indicated that they would like a little more time to consider the CBI's request, it is believed. The CBI has received further encouragement from the fact that 80 companies which were not asked to give a definite

undertaking to hold prices increases below 5 per cent, have volunteered to do so. One U.K. company, the TPT group, which makes a wide range of paper and plastic products for many industries, yesterday revealed that it was limiting a previously-announced price rise of 7½ per cent to a maximum of 5 per cent.

It also promised that the increases, to be applied to some converted products, would be the last before June 30 next year. Mr. L. V. Chivers, executive director of Ford Tractor Operations, confirmed that this sector of Ford's operation was also following the CBI line.

"I am sure that British farmers in particular have recognised the very positive step which has been taken towards curbing the rate of price increases," he said.

Mr. Chivers pointed out that in a relatively low-volume business such as tractor manufacture, such economies could be very serious. He expressed the hope that all suppliers to the company's tractor plant at Basildon would co-operate in a venture which was vital to the industry.

PORTO TORRES A PETROCHEMICAL COMPLEX IN CONTINUOUS EXPANSION

Here are the most significant steps of a remarkable growth:

YEAR	FACILITIES
1963	Phenol
1964	Steam cracking
1965	H.P. Polyethylene
1966	ABS
1966	Ammonia
1967	Ammonium sulfate
1967	Topping
1968	Reforming
1968	Benzene
1968	Continuous Polystyrene
1968	Acrylic fibers
1968	LAB
1969	Steam cracking expansion
1969	Butadiene
1970	P.V.C.
1970	Sea-line buoy installation for mooring of 300,000 ton super-tankers
1971	Ortho- and para-xylene



Original processes, "up-to-date" engineering, high quality products.



SOCIETA' ITALIANA RESINE - MILAN - ITALY

COMPANY NEWS + COMMENT

F. Pratt returning to 18% dividend

TORATION of the 18 per cent. rate for the year to 1971, is forecast by Pratt Engineering, makers of a chassis, etc. Last year the rate was halved.

Despite difficult trading conditions continuing, profits are put at 101 less than £450,000, compared with £237,739 last year, 1970 in 1969-70 and £486,000 in 1968-69.

In the first six months to April 1971, the profit was £250,674, the corresponding period in 1970 produced a loss of £4,373.

The current first-half figures are taken in restructuring the operating units, and a account of losses incurred in a joint collaboration agreement which is to cease in the year-end.

With the cash position showing considerable improvement and owing to be positive, the dividend is held at 8 per cent.

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Boulton & Paul	16	7	Hollis E.S.A.	16	4
Brickwoods	18	6	Illingworth Morris	18	1
Bulmer & Lamb	18	5	Jacks (Wm.)	18	4
Ciro Pearls	16	4	Johnson-Richards	18	4
Constellation	16	3	Lowe (Robert H.)	18	1
Crane Fruehauf	18	3	Mining Supplies	16	7
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3% extra from Power Tools

A FINAL dividend of 9 per cent. by Power Tools Specialists raises the total to 15 per cent. for the year to March 31, 1971.

Last October, chairman Mr. A. N. Creed said he would not like to forecast profits higher than £140,000 for the year—in the event they have reached £155,829, compared with £132,110 in 1969-70, after being £51,838 (£50,830) at half-way. U.K. tax takes £50,000 (£50,000) leaving the year's net balance up from £73,110 to £92,829.

Dividends have been waived by the chairman and Mr. Creed on £22,054 (£23,508) of which £11,902 was attributed to Rolls-Royce. Sales for the year increased from £1,493,407 to £1,732,614 and despite adverse conditions in general so far this year, sales show an increase over a similar period last year, members are told.

The profit is after taking into account an exceptional year for bad debts. These amounted to £22,054 (£23,508) of which £11,902 was attributed to Rolls-Royce. Sales for the year increased from £1,493,407 to £1,732,614 and despite adverse conditions in general so far this year, sales show an increase over a similar period last year, members are told.

Power Tools has maintained a record of profits growth every year since its public debut in 1965. The latest performance takes in a pre-tax profit of 18 per cent. on sales up 17 per cent., reflecting tighter cost control, higher prices and an increased contribution from the comparatively new hire side, which reached full profitability for the first time. The group is currently moving into new premises, which will more than double capacity on the distribution side. The first benefits of this group makes pre-fabricated eregarages, industrial building-garden sheds etc.

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40% and scrip from Audio

DIRECTORS of Audio Fidelity are increasing the dividend from 33 per cent. to 40 per cent. for the year to April 30, 1971, and also propose a one-for-five scrip issue.

The "comfortably higher" profits expected in February, turn out to be £226,573 pre-tax—an increase of £78,148 on 1969-70. At half-way, profits were £72,373 (£57,400).

The dividend absorbs, after waivers, £23,470. The chairman and a member of his family have waived on a total of £13,250 shares.

In the current year to date all companies with the exception of Linear Products are trading at a higher level, the directors state. The removal of hire purchase restrictions may well result in further increased sales volume, they add.

Two years ago Audio Fidelity's expansion plans were upset by a major fire and while there was a recovery in the following year the main advance was expected to come in 1970-71. In the event the group seems to have done even better than the market was hoping for and a 33 per cent. pre-tax rise lifted the shares (already up over two-thirds this year) another 12p to 67p last night. At this level the shares are on a p/e of 8.5 (9.1 fully taxed), which is, perhaps, understandably low given the dull record. But in the current year Audio should benefit from the reduction in purchase tax and the freeing of HP restrictions, even if these factors are unlikely to make much impact until the autumn. In the longer term, however, the push overseas, especially in Europe, and the increasing demand for hi-fi equipment at the popular end of the market.

ERF chief warns on price rises

A WARNING that Britain is in danger of pricing herself out of export markets, especially in the case of heavy commercial vehicles, comes from Mr. Peter Foden, chairman of ERF (Holdings), manufacturers of heavy commercial vehicles.

In his annual report, he says prices have a need to be raised twice during the year to April 3, 1971, and in overseas markets rises of that magnitude and frequency are not at all well received even though overseas competitors are experiencing similar inflationary pressures.

"The time must come when we as a country will be in danger of pricing ourselves out of export markets and running into another balance of payments crisis," he declares.

Mr. Foden reiterates the Board's confidence in the medium to long term opportunities. ERF is taking every opportunity to plan for the future and is not being distracted by current short term difficulties.

As stated on July 16, group profit for the year to March 31, 1971, was £915,365 (£734,761) and the dividend 20 per cent. (equivalent 17 per cent.).

A total of 22 per cent. was forecast on capital to be increased had the company acquired Alderson Holdings. Cost of the negotiations amounted to £37,030 which has been written off to revenue reserves.

It was announced on Friday that Constellation had been approached by Jessel Securities which, together with associates, already holds 45 per cent. of the Ordinary and 27.4 per cent. of the "A" Ordinary shares, with a view to Jessel making an offer for the remaining shares.

Hollis ESA ahead of forecast

THE RECOVERY in profit forecast by Hollis Bros. and ESA has materialised. The final dividend for the year ended March 31, 1971, is the promised 5 per cent., raising the total from 33 per cent. to 10 per cent.

Against not less than £500,000 envisaged, the profit comes to £514,068. The dividend for 1968-69 was 17½ per cent.

Group activities cover timber importing, woodworking, educational equipment manufacturing. Meeting, 56, Gresham Street, E.C., September 15.

Everything evidently went according to plan at Hollis Bros. and ESA last year, with pre-tax profits 3 per cent. above last December's forecast. This represents a second half turnaround into the black of roughly £400,000, and apparently the management reorganisation has been the chief factor behind the recovery rather than any upturn in trading conditions. The main push has come on the school office and laboratory furniture side—where the contribution to profit has been increased by around 90 per cent. although the division handling the manufacture of softwood joinery has scored a profit turnaround of just under £10,000. The remaining two divisions—merchandising and processing of softwood and manufacture of school stationery and educational aids—have also made good progress. A thorough assessment of current trading prospects will have to wait for the full report, but in any case there should be further benefits to come from the reorganisation. Meanwhile, the p/e of 12½ at 67p still bears the scars of the 1969-70 setback.

Hampson's 1½% extra and scrip

RECORD PROFITS, a 1½ per cent. dividend increase, and a one-for-ten scrip issue are announced by Hampson Industries—formerly Hampson Jig Tool and Automata—for the year ended March 31, 1971.

The dividend is lifted from 40 per cent. to 41½ per cent. with a final of 22½ per cent. and the directors expect to maintain this level for the year ending March 31, 1972.

Reporting pre-tax profit up from £189,108 to £302,687, they say this figure would have been higher but for unforeseen circumstances arising from the Luettich and Ford strikes and the Rolls-Royce collapse.

All outstanding book debts and work in progress for Rolls-Royce and its subsidiaries have been fully reserved for before arriving at the profit.

At half-way profit was up from £85,100 to £166,704 and the Board expected second-half results to equal or better that.

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Mr. H. Alan Walker, chairman of the Williams and Humbert Group, addressing members at yesterday's annual meeting.

Mr. H. Alan Walker, chairman of the Williams and Humbert Group, addressing members at yesterday's annual meeting. said sales of sherry had advanced in almost every market.

DIVIDENDS ANNOUNCED			
Company	Current payment	Date of payment	Corresponding div. year
Audio Fidelity	40%	Sept. 3	1970-71
Banbury Buildings	27½	Sept. 25	1970-71
Brickwoods	7½	Sept. 25	1970-71
Constellation Inv.	40	Oct. 1	1970-71
Constellation Inv. "A"	40	Oct. 1	1970-71
Ellis & Everard	22½	Oct. 6	1970-71
Hampson	5	Sept. 16	1970-71
Hollis & ESA	5	Sept. 16	1970-71
Merchants Trust	3½	Sept. 10	1970-71
Mining Supplies	15½	Sept. 10	1970-71
Overseas Trust	12	Sept. 10	1970-71
Power Tools	9	Sept. 29	1970-71
Pratt Engineering	6	Sept. 14	1970-71
Alex. Russell	6	Sept. 16	1970-71
Western Canada Invest.	35	Oct. 12	1970-71

* Equivalent after allowing for scrip issue. † Amount per share.

(a) Tax free. (b) On capital increased by rights and/or acquisition issues.

than there is in the U.K., and the directors will be concentrating in those areas. They are negotiating for additional shop sites in the U.S. and have just acquired a site in Frankfurt.

Also, they are exploring the possibility of further acquisitions in the fashion, retailing and other related fields in the U.K. As reported on July 24, group profit for 1970 was £73,011 (£72,018), and the dividend 10 per cent. (20 per cent.).

The most serious profit drop occurred at home, but the U.S. subsidiary also sustained a setback. In Germany and Austria, however, slightly higher profits were returned. Meeting, Cafe Royal, W., August 25, at noon. It is proposed to change the name to Ciro Holdings.

4½% more by Ellis & Everard

RECORD PROFITS and a dividend total topped up by 4½ per cent. to 12½ per cent. are reported by Ellis and Everard, Leicester-based coal and builders' merchants, etc., for the year ended April 30, 1971.

The final is 7½ per cent., against 4½ per cent. After providing for non-recurring losses of £107,360 on closure of the agricultural division, group profits, before tax, show an increase from £281,482 to £417,984. The profit includes 18 months of G. F. Rippon.

Overseas Trust Unit Trust Managers announces that following the relaxation by the Bank of England on sterling-dollar loans last December, the securities in Overseas Trust bought with premium dollars amounts to 6 per cent. of the fund with nearly 35 per cent. on the loan account. This compares with 38 per cent. in premium dollars at the end of the last financial year and 3 per cent. on loan account.

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Mining Supplies advance

AS FORECAST, the directors of Mining Supplies are recommending a final dividend of 5p per share to raise the total from 5p to 8p for the year ended May 1, 1971.

A two-for-one scrip issue is also proposed.

Pre-tax profits increased from £274,123 to £442,371 following the rise to £220,000 (£109,000) at half-way.

The chairman and his wife waived their right to the interim dividend which would have amounted to £24,486, and the chairman has waived his right to the proposed final dividend on 200,000 shares which will amount to £10,000.

The scrip issue is for holders registered on August 13, 1971. The necessary resolutions will be proposed at an extraordinary general meeting to be held immediately after the annual meeting on September 8, 1971, and passed, renounceable share certificates will be posted to shareholders on September 7, 1971.

comment After doubling first-half profits, Mining Supplies has increased its annual pre-tax profits by more than 60 per cent. on a 50 per cent. rise in sales. Although this is a good performance by most standards, some optimists were looking for even more and the shares rose from 166p to 130p last night on profit taking. While a good part of the rise came from the forges and general engineering subsidiary, this market does not appear to be levelling off, and it looks as if the current year's growth will be largely confined to mining equipment. The NCB takes about 10 per cent. of group sales, so with the labour shortage in that industry emphasising the need for automation there could be a good deal of potential left. With production capacity recently increased by 12 per cent. and an additional 25 per cent. coming on stream later this year, MS should be able to make the most of its full order books and its current expansion into Scandinavia. Although the p/e of just under 7 (based on earnings of 21.4p a share against 11.3p previously), seems a little high, in view of the group's chequered record the shares are not likely to be re-rated until the current year's prospects are spelt out.

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BIDS AND DEALS

S. Pearson profits ahead after five months

FOR THE first five months of the current financial year, S. Pearson and Son's unaudited pre-tax profits attributable to the ordinary shareholders of £3,873,000 compared with £3,138,000 of the corresponding period of the previous year.

This is stated by the chairman, Viscount Cowdray, in a letter sent out with full details of the Scheme of Arrangement involving S. Pearson, Pearson Longman and Penguin Publishing Company.

Lord Cowdray points out that because of the nature and wide spread of interests, it is not possible to make any reliable forecast for S. Pearson but the trend of activity since the beginning of the year "has been encouraging."

He adds: "Since the group's income does not accrue evenly throughout the year the results for the first five months ended May 31, 1971, should not be taken as giving any indication as to the likely outcome for the full year."

Pearson Longman, which is 58.8 per cent. owned by S. Pearson, is forecasting pre-tax profits of £5.7m. for 1971 compared with £5.75m. in the previous 12 months. Profits before tax for the five months to May 31, 1971, amounted to £2,670,000 against £2,650,000 in the same period of 1970.

Pearson Longman owns 62.5 per cent. of Penguin and the Penguin directors estimate that pre-tax profits for 1971 will be £3,150,000 compared with £2,250,000 in the previous year.

In a letter giving the reasons for the arrangement, Lord Cowdray says that by experience it has been found there are a number of advantages inherent in the group structure where the public has interests at two different levels within a single group which operates, as does Pearson Longman, as a separate entity in a specific sector of commerce or industry.

"Conflicts of interest are liable to occur, dividend policy has to be considered in the light of two distinct bodies of shareholders and freedom of manoeuvre in the ability to transfer resources within the group as economic demands is restricted," he adds.

The present proposals—which should come into effect on October 28 if the Scheme of Arrangement is approved—are designed to bring Penguin fully into the newspaper and book publishing group as a wholly owned subsidiary of Pearson Longman.

"There is no inherent disadvantage in the public having an interest at a single level and it is not Pearson's intention to make

Westminster Trust bid under fire

The Westminster Trust £25m. agreement from Land Securities Investment Trust is under fire from a group of dissident Westminster holders.

The rebels are led by Mr. L. I. Casper, of LC Securities, merger consultants, who say he has clients with 200,000 Westminster shares, and maintains Westminster is worth more than the 80p in loan stock offered by Land Securities.

Mr. Casper believes the net asset value of each Westminster could be 120p and bases his argument on two prime sites in which Westminster owns an air base—New Scotland Yard and the property called Mitre House in Cheshire, City.

He suggests that by 1985 New Scotland Yard, in which Westminster owns two-thirds of the equity, the value of that stake could be worth £20m. alone (compared with Westminster's issued capital of 7,146,820 Ordinary shares).

He also estimates the true value of Westminster's one-third equity share in Mitre House (the other two-thirds being owned by Hammonds) is £2m., even allowing for the fact that a one-third interest in a building is not easily saleable.

The problem for anyone opposing the bid is that more than 51 per cent. of the Westminster shares are already irrevocably committed to the offer.

But Mr. Casper hopes to attack this platform by isolating from the battle the £400,000 of loan stock (convertible into 1,44m. Westminster shares) owned by Fashien and General Investment.

FGI received this loan stock in 1969 in exchange for Thomas C. Stewart (Contractors)—a deal for which the Westminster Board, headed by Mr. Walter Salomon, has come under fire from shareholders in the past.

As a result of the deal with Land Securities, FGI will receive more than £1m. for the loan stock which was issued in exchange for a loss-making company.

Mr. Casper hopes to reopen an examination of the Stewart deal. If this was to happen the FGI holding in Westminster, representing more than 11 per cent. of the

enlarged capital, could be isolated from the bid battle.

A spokesman for Rea Brothers, which is also headed by Mr. Salomon and is advising Westminster on the deal with Land Securities, denied suggestions that Westminster went looking for a bid—Land Securities made the first approach.

The formal offer documents would contain the results of Westminster for 1970, he added. Last night Westminster shares remained unchanged at 75p.

HEENAN BEDDOW OFFERS £0.93M. FOR CONWAY STEWART

Heenan Beddow announces that it has contracted to purchase from the directors of Conway Stewart, the fountain pens and pencils group, and their associates about 41 per cent. of the CS Ordinary capital at a price of 92p in the pound. This value of £200,000 CS equity at £225,000. HB will offer 92p in shares and partly convertible unsecured loan stock of HB for the remaining 59 per cent. of the CS Ordinary shares, and has undertaken to offer cash of 92p per share as an alternative.

Yesterday the shares of CS closed 18p higher at 80p; HB were down 2p at 54p.

HB carries on business of investment banking, and co-ordinates activities of its subsidiaries which are engaged in the manufacture of glass containers, plastic toys, houseware, engineering, etc.

The offer documents will be despatched as soon as practicable by Samuel Montagu on behalf of HB.

BRISTOL STREET RAISES PRICE FOR BLUEMEL

Spirited defence by the Bluemel Brothers Board has produced an increased offer from Bristol Street Group. This value Bluemel shares at around 35p compared with the original offer of 25p. The new offer is £1.5m. Terms of the new offer are six shares in Bristol, plus 15p in cash, for every eleven Bluemel shares.

Merchant bankers Samuel Montagu, acting for Bristol Street, discloses with the offer that Bristol Street now holds 102,850 shares in Bluemel, or approximately 51 per cent. of the equity.

HELENE-GERTLER

Helene of London has announced proposals to acquire part of the outstanding share capital of F. J. Gertler and Co. from Helene director Mr. F. J. Gertler.

Total consideration is £381,874 subject to certain safeguards. It will be paid in cash in three instalments with £133,874 on completion, £140,000 on January 31, 1972, and the balance on July 31, 1973.

Currently Helene holds all the "A" Ordinary amounting to 51 shares in Gertler and all the "B" Ordinary capital of 48 shares is held by Mr. Gertler. These two holdings rank equally in voting terms. Under the new proposals the two types would be merged into a single class and Helene will purchase 39 of Mr. Gertler's 49 shares, giving the company a 90 per cent. holding.

Gertler, a clothing agency whose main asset has been the Levi Strauss agency, made a pre-tax profit of £275,000 in 1970. The Levi Strauss agency expires at the end of this year, but the document relating to the deal says Mr. Gertler is confident he can extend other existing agencies and obtain new ones in the future.

J. L. KIER ACQUIRING CHARLES BRAND

J. L. Kier is acquiring Charles Brand and Son for £630,000 cash. Brand's accounts for the year to March 31, 1971, show pre-tax profits of £56,000 and net assets of £721,000.

Brand is a close company previously controlled by the Brand family. Founded in 1829, it is one of the oldest tunnelling contractors in the U.K.

TILLOTSON

The offers on behalf of St. Regis Paper Company (U.K.) for Tillotson and Son have been declared unconditional, been accepted in respect of 1,159,805 Ordinary (96.65 per cent.) and 1,237,887 "A" Ordinary (90.33 per cent.).

The balance will be acquired compulsorily. The DTI have confirmed they do not intend referring the acquisition to the Monopolies Commission. All Exchange Control consents have been granted.

ASSOCIATES DEALS

Solomon and Co. on Friday bought 155,000 Grand Metropolitan Hotels at 190p average for an associate.

Hoblyn Dix Maurice and Anderson on Friday bought 26,000 Silentbloe at prices ranging from 24p to 25p for associates of the company.

On July 30 Panmure Gordon purchased on behalf of associates of Grand Metropolitan Hotels 10,000 Truman Hambury Burton at an average of 435p.

On July 30 Laurie Milbank bought 10,000 Broadview Financial at 53p, 20,000 at 52p, 10,000 at 52p and 10,000 at 50p for associates of London and County Securities.

Edward Bates on Friday bought for associates 50,000 Utd. Scientific at 61p and sold for associates 41,410 at the same price.

On July 30, Smith Keen Barnett bought 17,850 Bluemel at 75p on behalf of associates.

Cazenove on Friday sold 20,000 Grand Metropolitan at 191p and purchased 5,000 Truman Hambury at 435p, on behalf of an associate of Watney Mann.

Foseco's £2.7m. for Fordath

Foseco Minsep, the chemical and metallurgical separation group, is making a £2.7m. offer for a partner of 10 years standing, the Fordath foundry and engineering group.

Terms are 11 Ordinary of Foseco for every 10 Ordinary of Fordath. With Foseco at 146p yesterday (down 2p) this value each Fordath at 160.6p—in the market they rose 21p to 185p.

The two companies have been partners for 10 years in the overseas operations of Fordath chemical binders and the Boards believe a more rapid expansion of these and other activities can be achieved by a merger.

The directors of Fordath intend to accept in respect of their own holdings and to recommend the offer to other holders including the founding families who, together with the directors, hold some 85 per cent. of the shares.

Fordath holders will be entitled to a special dividend of 9 per cent. The Foseco shares to be issued will not rank for the interest in respect of 1971.

All directors of Fordath will continue to serve and satisfactory assurances concerning the future of the staff and employees have been received.

The formal offer will be posted by N. M. Rothschild as soon as possible.

SEAFIELD-SUNGEI RINCHING

The Seaford Amalgamated Rubber offer for Sungei Rinching Rubber Estates has been accepted in respect of 88 per cent. of the shares subject to the offer—Seaford now owns 90 per cent. of Rinching. The offer, declared unconditional July 27, is being left open, but the alternative cash option expired on July 30.

OLD BLEACH

In response to the offer on behalf of Carrington Wyetla for Old Bleach (Holdings) acceptance have been received in respect of 693,962 Ordinary shares (over 80 per cent.). The total includes those in respect of 354,473 shares, holders of which have elected to receive the cash alternative. No Ordinary in Old Bleach have been issued since July 3 (the date of the offer), as a result of exercise of options.

J. CORAL

By 3 p.m. on August 2, acceptances of the offer on behalf of the Mark Lane Group (now renamed J. Coral Holdings) for J. Coral, already declared unconditional, had been received in respect of 5,740,388 Ordinary (91.12 per cent.). Mark Lane intends compulsorily to acquire the outstanding shares. The offer has been extended to September 2.

More bids Page 18

The Board of CV has decided to extend the period for acceptance at least until 3 p.m. on Monday.

Richards & Wallington

Richards and Wallington Industries, major plant and crane hire group, has reached agreement with Thos. W. Ward to acquire the fleet of cranes and plant in the Wardshire Division, with the exception of certain crawler cranes, for a total cash consideration of £544,000 payable over 24 months.

The modern fleet of equipment acquired, which had an initial cost value of £130m., is strategically located throughout the U.K. Richards and Wallington intends to absorb the equipment into its existing national group network, but will immediately dispose of those items which do not readily fit in with group activities.

Richards and Wallington will be offering employment to many of the operators not required by Thos. W. Ward, thus enabling redundancies to be kept to a minimum.

SMITHS INDUSTRIES

Smiths Industries has agreed terms with Amalgamated Transport Services to acquire from them all the capital of Smallbone Factors (Working) and Auto Spares and Accessories (Portsmouth).

The companies being acquired are currently concerned in the wholesaling of motor accessories, batteries, tyres and ancillary goods, principally on the south coast of England. Consideration for the acquisition and repayment of outstanding debts to the vendors consists of £157,789 nominal of 8 per cent. Convertible Unsecured Loan Stock, 1990-95.

END OF GOLDEN MILE IN SIGHT

Ironically, in the light of the

MINING NEWS

ASAIC provides a guide to gold shares

BY LESLIE PARKER, MINING EDITOR

WITH GOLD shares enjoying another burst of popularity in the wake of the bullion price particular interest is lent to the latest information about the investment policies of the big American-South African investment company which provides the means whereby many U.S. investors acquire a stake in South African gold.

The list of ASAIC holdings as at May 31 shows that the six stocks which were still being accumulated in the three months to that date were East Driefontein, Kloof, Southvaal Holdings, President Steyn, St. Helena and Winkelland.

Dis-investment was still in progress in Western Deep, Buffelsfontein and President Brand while Harmony has now been finally exercised from the list. A small stake was acquired in Polgietersrust Platinum. The biggest gold share holding by market value continues to be West Driefontein with Vaal Reefs second and St. Helena third.

The largest investment of all, 2,457,000 De Beers, remained static. ASAIC's net asset value on June 30 was equal to approximately £24.38 or £14.21 a share. It compares with £25.26 on April 1. ASAIC are quoted in our American list of London closing prices.

LONRHO SEEKS LESOTHO GEMS

An agreement for diamond prospecting in the Kao area of Lesotho's Maluti mountains has been reached between the Lesotho Government and Maluti Diamond Corporation, the latter being jointly owned by Lonrho and America's Newmont Mining.

Maluti has the prospecting rights for a maximum of 38 months and this could mean exploration spending of nearly £12m. during that time. Should the company go ahead with a mining operation the agreement provides for the minimum expenditure of a further £2.9m.

The Lesotho National Development Corporation will have an option on a 30 per cent. share in the mining company. If a mine is established Lesotho will get 65

per cent. of the profits through taxation and the LNDC share in the company. "We are very happy with these arrangements," said Lesotho's Minister of Finance, Chief P. N. Peete. Lonrho rose 8p to 89p yesterday.

Nchanga copper

DESPITE the present uncertain outlook for copper prices, Nchanga is pressing on with its £87.5m. expansion programme which is designed to raise annual copper production by 100,000 metric tons to 500,000 tons in 1974. In his annual statement the chairman Mr. D. C. Mulaishe, points out that this spending will continue to call for substantial appropriations from profits.

Nchanga, which represents the amalgamation of the Anglo-American group's former copper and lead-zinc operations in Zambia and which is 49 per cent. owned by Zambia Copper Investments, made a net profit of £97m. (£56.5m.) in the 15 months to March 31. Copper production totalled 424,816 tons, while sales amounted to 475,983 tons at an average price of £34 per ton.

Output for 1971-72—that is to say, for 12 months—is expected to amount to 407,000 tons and, particularly in view of the lower metal price, every effort is being made to hold costs in check. Meanwhile, large tonnages of new ore have been outlined at the Rokana division which will have an important bearing on mining plans over the next decade.

Mr. Mulaishe estimates the life of the former Zambia Broken Hill lead-zinc mine at about 12 years, but points out that considerable tonnages of metal remain in dumps of previously untreatable residues. Consideration is now being given to a project for treating them in Waelz kilns.

Chairman's Statement Page 7

END OF GOLDEN MILE IN SIGHT

Ironically, in the light of the

rising free market gold price announcements from the Western Mining group's Gold Mines o Kalgoorlie and Central Norseman Gold indicate the approaching end of gold production on Australia's historic Golden Mile near Kalgoorlie.

The companies, Michael Southern reports from Sydney say that they cannot continue to earn profits even with the aid of the government subsidy notwithstanding that this has not been increased.

GNK reckons that it may extend operations into the first half of 1973. Central Norseman expects to suspend production by the end of 1972. Both mine will be placed on a care and maintenance basis after the close down.

The plants of the other former Golden Mile producers, Lak View, Great Boulder and North Kalgoorlie, are, or will be, used for nickel concentration purposes. In view of the further nickel developments in this area of Western Australia in which Western Mining is after all a pioneer, it appears possible that the GNK and Norseman plant could eventually be useful in this purpose. GNK says that such proposals are before its Board at this time.

There is also the hope, as it companies point out, that "future change in economic circumstances" might allow it gold mines themselves to be reopened. They are even contemplating rights issues the proceeds from which would be invested in securities. This, it is stated, would accelerate the receipt of cash funds which could be made available for distribution on a tax-free basis. The whole eventual scheme are put before shareholders in October.

Western Mining holds 31.4 per cent. of GNK's capital, 8,129,877 shares which fell to 18p yesterday. The parent company has a 50.48 per cent stake in Central Norseman.

RECENT ISSUES

EQUITIES

Issue Price	Amount	Div. & Int.	Yield %	1971		Stock	Quantity	Div. & Int.	Yield %	Market
				High	Low					
75	F.P.	5/8	82	77	Allied Polymer	77	1	118	1.3	6.8/13.3
15 1/2	F.P.	16/12	120	120	Berwick Range (21)	120	1	120	2.6	2.8/10.0
75	F.P.	11/8	120	120	Borden & Southern Corp.	120	1	120	1.5	1.5
36	F.P.	30/7	60	50	British Can. Inv.	146	1	146	1.5	1.5
40	F.P.	27/7	41 1/2	40	Burton Grp. Warrants	125	1	125	1.7	6.1/8.6
40	F.P.	30/7	60	50	Commonwealth Secs.	56	1	112	2.2	2.2/20.7
40	F.P.	30/7	60	50	Comet	56	1	112	1.5	5.7/8.1
40	F.P.	30/7	60	50	Connaught	56	1	112	1.5	4.0/8.0
40	F.P.	30/7	60	50	Formastone 10p	54 1/2	1	109	1.4	5.9/10.4
100	F.P.	26/12	100	100	Glendower Inv.	100	1	100	2.0	2.0
100	F.P.	26/12	100	100	Grange	100	1	100	2.0	2.0
62 1/2	F.P.	1/4	130	130	Jessell Trust	235	1	235	1.1	1.1
80	F.P.	5/8	125	112	Kettering Motors Serv	114	1	140	1.6	3.5/17.3
52	F.P.	30/7	60	50	Levinton 10p	61	1	122	1.8	5.7/9.9
40	F.P.	4/8	65	55	Leicester Kiln	55	1	110	1.8	5.8/8.3
40	F.P.	11/8	85	85	Matthews Wright's 2p	248	1	248	1.9	3.2/15.4
62	F.P.	26/12	100	100	NBS Newswagon 10p	78	1	156	2.2	2.8/15.6
100	F.P.	16/7	100	100	North's 10p	107	1	107	1.1	1.1
100	F.P.	16/7	100	100	SFLAT Inv. 10p	107	1	107	1.1	1.1
50	F.P.	16/7	100	100	Do. 10p	107	1	107	1.1	1.1
50	F.P.	16/7	100	100	Tigon Group 10p	107	1	107	1.1	1.1
75	F.P.	1/4	130	130	Tower Assets 10p	33 1/2	1	67	2.1	2.2/20.2
41 1/2	F.P.	4/8	11	11	Transmer Gps. 10p	77	1	154	1.7	5.2/11.9

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Div. & Int.	Yield %	High	Low	Stock	Quantity	Div. & Int.	Yield %
\$100	F.P.	—	98	98	Airlease 9p Guar. 98da. 1988	98	99	—	—
\$100	F.P.	—	98	98	Do. 9p Guar. 98da. 1978	98	99	—	—
\$100	F.P.	—	98	98	Armour 10 1/2% Part. Conv. '84	100	99	—	—
\$200	F.P.	15/10	120	120	Automotive Prod. 10 1/2% Deb. 98-2001	28	99	—	—
\$200	F.P.	15/10	120	120	Banque Par. 10% Conv. 1971-81	28	99	—	—
\$200	F.P.	15/10	120	120	Budy (G.) 11 1/2% Deb. 1981-85	28	99	—	—
\$200	F.P.	15/10	120	120	Bristol & W. 10 1/2% M. Deb. '91-4	50 1/2	99	—	—
\$200	F.P.	15/10	120	120	British Land 10 1/2% 1978	94	99	—	—
\$200	F.P.	15/10	120	120	British 10 1/2% Conv. 1981-82	97	99	—	—
\$200	F.P.	15/10	120	120	Canon 10 1/2% Part. Conv. 1978	111 1/2	99	—	—
\$200	F.P.	15/10	120	120	Cap & Counties 9 1/2% W. 10 1/2% Warrants	107	99	—	—
\$200	F.P.	15/10	120	120	Castle Hill 9 1/2% Conv. '81-91	86	99	—	—
\$200	F.P.	15/10	120	120	Central & Shear 10 1/2% 1981	106pm	99	—	—
\$200	F.P.	15/10	120	120	Chloride 10 1/2% Conv. 1982-8	—	99	—	—
\$200	F.P.	15/10	120	120	City 8 1/2% 102 1/2% 1981	106pm	99	—	—
\$200	F.P.	15/10	120	120	Corwall Port 10% 1974	110	99	—	—
\$200	F.P.	15/10	120	120	Do. 10% 1974	110	99	—	—
\$200	F.P.	15/10	120	120	Sea Ringway Water 102 1/2% 1971	108	99	—	—
\$200	F.P.	15/10	120	120	St. & L. 7% Conv. 1969	114	99	—	—
\$200	F.P.	15/10	120	120	Glendower 11 1/2% 1971-85	51	99	—	—
\$200	F.P.	15/10	120	120	Do. 10 1/2% 1971-85	51	99	—	—
\$200	F.P.	15/10	120	120	Harworth 10 1/2% Deb. '87-7	111	99	—	—
\$200	F.P.	15/10	120	120	Do. 10 1/2% 1987-91	111	99	—	—
\$200	F.P.	15/10	120	120	I.C. Gas 7% Conv. 1980-95	125	99	—	—
\$200	F.P.	15/10	120	120	L.C.L. 10 1/2% 1981-85	118	99	—	—
\$200	F.P.	15/10	120	120	Kent 10 1/2% 1971-85	118	99	—	—
\$200	F.P.	15/10	120	120	Kleinspan 7 1/2% Conv. 1981	112	99	—	—
\$200	F.P.	15/10	120	120	Land Seac. 11 1/2% 1981-85	77	99	—	—
\$200	F.P.	15/10	120	120	Do. 10 1/2% 1981-85	77	99	—	—
\$200	F.P.	15/10	120	120	Do. 9 1/2% 1981-85	77	99	—	—
\$200	F.P.	15/10	120	120	Mid. Sch. Water 102 1/2% 1971-85	107 1/2	99	—	—
\$200	F.P.	15/10	120	120	Do. 10 1/2% 1971-85	107 1/2	99	—	—
\$200	F.P.	15/10	120	120	Newman 11 1/2% Part. Conv. '82-4	107 1/2	99	—	—
\$200	F.P.	15/10	120	120	North Port Corp. 10 1/2% 1981-85	9pm	99	—	—
\$200	F.P.	15/10	120	120	Do. 10 1/2% 1981-85	9pm	99	—	—
\$200	F.P.	15/10	120	120	Salts Ind. 9 1/2% 1974	102 1/2	99	—	—
\$200	F.P.	15/10	120	120	Severn (F.) 11 1/2% 1971-85	41 1/4	99	—	—
\$200	F.P.	15/10	120	120	Do. 10 1/2% 1971-85	41 1/4	99	—	—
\$200	F.P.	15/10	120	120	Shearwater 10 1/2% 1971-85	85	99	—	—
\$200	F.P.	15/10	120	120	Intercontinental 10 1/2% 1971-85	107 1/2	99	—	—
\$200	F.P.	15/10	120	120	Switzerland 9 1/2% 1971-85	99	99	—	—
\$200	F.P.	15/10	120	120	Do. 10 1/2% 1971-85	99	99	—	—
\$200	F.P.	15/10	120	120	Sheepbridge 10 1/2% Deb. '87-7	50	99	—	—
\$200	F.P.	15/10	120	120	Do. 10 1/2% 1987-91	50	99	—	—
\$200	F.P.	15/10	120	120	Do. 10 1/2% 1987-91	50	99	—	—
\$200	F.P.	15/10	120	120	Thornycroft 11 1/2% Conv. '88-96	24pm	99	—	—
\$200	F.P.	15/10	120	120	Union Carbide 9 1/2% 1971-85	106 1/2	99	—	—
\$200	F.P.	15/10	120	120	Unicom 10 1/2% 1971-85	106 1/2	99	—	—
\$200	F.P.	15/10	120	120	Do. 10 1/2% 1971-85	106 1/2	99	—	—

QUARRYING

FINANCIAL TIMES SURVEY

Anticipating new demands

By ANDY McELROY

If there were a league table of industries based on their public appeal, quarrying would come very close to the bottom. In terms of public opinion, it is one of the least popular of all. In the public mind with its unadorned holes in the ground, and the willingness of its customers occasionally to be dazzled by the paper advantages of "technologically-processed" substitutes. In this latter context there is a distinct bias in some quarters towards the view that what comes from a quarry must *ex principio* be inferior to that occurring naturally. Based, like all fallacies, on sound premises, the use for artificial equivalents of quarried products has never amounted to a significant extent.

Looking at the performance of the industry it is immediately noteworthy that growth has been, since the early 1960s, faster than the gross national product. In addition, while profits are seldom spectacular, losses on wholly quarrying operations are seldom recorded in the annals of industrial disasters.

No matter what the industry, there are two factors that are predominant when considering growth and profitability. One is the development of the market while the other is the enterprise and efficiency of the industry.

Markets for quarry products are diverse, but the main ones are for aggregates for concrete and roadstone of various kinds. Concrete, in the past 20 years, has undergone a remarkable change from a product made largely by rule of thumb to a range of formulations closely tailored to individual applications. Such a trend should have, according to the technological bible, opened the way for an influx of cheap, consistent and readily available factory-made aggregates.

No great historical insight is required to know that this did

not happen, and for very good reasons. Although factory-made aggregates have come and gone like mayflies, customers have been adequately catered for by the quarrying industry's ability to provide aggregates in exactly the size and quality, at the right price, needed for any type of concrete.

Part of the secret in this is that the quarrymasters have, almost without exception, anticipated needs. A good example is the way that new sources were developed in the late 1950s in anticipation of the growth of reinforced concrete construction, both *in situ* and precast.

Massive investment

This swing towards concrete as a material at the expense of others, and increasing specialisation in types of concrete, has been followed by an extension of the range of aggregates available to the user.

This has not been done without a massive investment on the part of the industry. Aimed principally at extending the range of products, investment has carried with it a two-fold benefit. Crushing plant, for example, which could produce different sizes from a common seam, was required. In some ways this need was the first stage in the technological education of the quarrying companies, who were quick to see that, given the right equipment, labour costs and handling costs could be drastically reduced.

The touchstone for efficiency in an industry is often the capital employed per worker. In quarrying, this is currently running at £50,000 per capita, a high figure by any standards. Modern quarries are as highly mechanised as almost any other activity, outside the science-based industries, accounting substantially for both the ability to expand output to meet exceptional demand and remarkably

stable prices for quarried materials.

In retrospect, the quarrying industry in general has shown great perception in keeping up with, and anticipating, the needs of customers. So often this might be thought to be pure good fortune, but it has its roots in the history of the industry's growth. Marketing may be a new and fashionable concept, but the industry has always, since the earliest days, looked on market development as a prerequisite of site development.

No company acting as a second-line supplier to industries like construction and civil engineering, so subject to the whim of government, would survive for any reasonable period without such market development. During the 1940s certainly, there were too many mistakes made in developing new sources on the basis of optimistic forecasts, but this tendency was quickly corrected.

If one looks at the industry over the past ten years there is a discernible shift in emphasis in both extraction and treatment. In particular, some materials, such as slate, have been largely superseded by manufactured clay tiles for roofs. At the same time, changing demands from the construction industry have led to the development of equipment that will produce aggregates of strictly controlled size and quality. This change has also meant that there is more emphasis in locating the correct type of deposit in the first place. That this should have happened is not in the least surprising. On average, aggregates form over 80 per cent. of the total volumetric content of concrete, and so the properties of the finished material depend to a very large extent on the correct choice and use of aggregates.

At present, the industry is still investing steadily in new sites and advanced equipment, a factor that has, in the past, played a significant part in protecting it from the vagaries of the economy and ever-rising labour costs. Since these measures have been successful in ensuring a steady growth despite the mixed fortunes of its main customers in the construction industry, there is every reason to think that it will keep the industry buoyant in the immediate future.

Especially now that the Government has chosen to reflate the economy, prospects look bright for a resurgence in construction work. Immediately, the special schemes to relieve unemployment in the hardest-hit areas of the country will mean an injection of funds in the public sector. Such an upturn must be reflected, almost immediately, in the quarrying industry.

In many similar situations, other industries have found that they are badly placed to meet increased demands on their production capacity. Again, however, the policy of steady investment in quarrying means that such peaks, and their corresponding troughs, can be met without too much distress.

Conveyor system

Much of the credit for the present situation lies with equipment manufacturers who have, over the years, followed the pattern of usage by customers very closely, and have been quick to see the opportunities open to them for selling mechanised installations for handling as well as improving methods of drilling, digging and crushing. If one type of machine had to be singled out for praise, it is the long-run,

high-capacity conveyor system, which has increased the output of sites, reduced labour needs and incidentally cut down the noise and dust associated with quarrying.

It is this last aspect that poses one of the main problems for the industry in the immediate future. Public concern with despoliation of the land is, quite rightly, growing, and there has been strong opposition to the development of new sources. But these sources must be developed if the demands of customers are to be met.

Restoring damage

For the industry this means that there must be a re-evaluation of the economics of, firstly, extracting in localities where this work will cause the least public concern; and, secondly, there must be a willingness to make good any damage caused to the countryside.

Restoring a site to its former state is well nigh impossible, but several companies have shown what can be done to allay the fears of the public. An example of turning a quarry into an amenity is in the flooding of gravel pits so that they can be used for fishing or sailing. There are numerous such artificial lakes throughout the country, landscaped at the expense of the companies which worked them.

Obviously, this means additional costs, but the goodwill generated by showing that ordinary people can benefit directly from quarrying activities should help to ease the path of future development.

It is easy to be too sanguine about an industry's prospects, but in this field companies have shown time after time that with wise investment and foresight one can adapt and prosper in a world of uncertainty.



British Rail removing crushed limestone for motorway construction from the Torr Works of Foster Yeoman Ltd., Europe's largest privately owned quarry.

Moves to greater efficiency

By JAMES MITCHELL

As in other productive fields, the technology of quarrying in recent years has not so much witnessed any dramatic breakthroughs as become steadily more efficient. Equipment and machines at the rock face have improved greatly in mobility and capacity while processing plant likewise has got bigger, faster and more automated. Yet, in essentials, quarrying techniques remain largely as they were.

Sedimentary rock, such as limestone, sandstone or shale, is still won largely by blasting and shovelling, though ripping is also being employed on a much wider scale to-day. Igneous rocks, such as granite, continue to be cut and shaped

or drilled and broached, while slate is still split and dressed by hand.

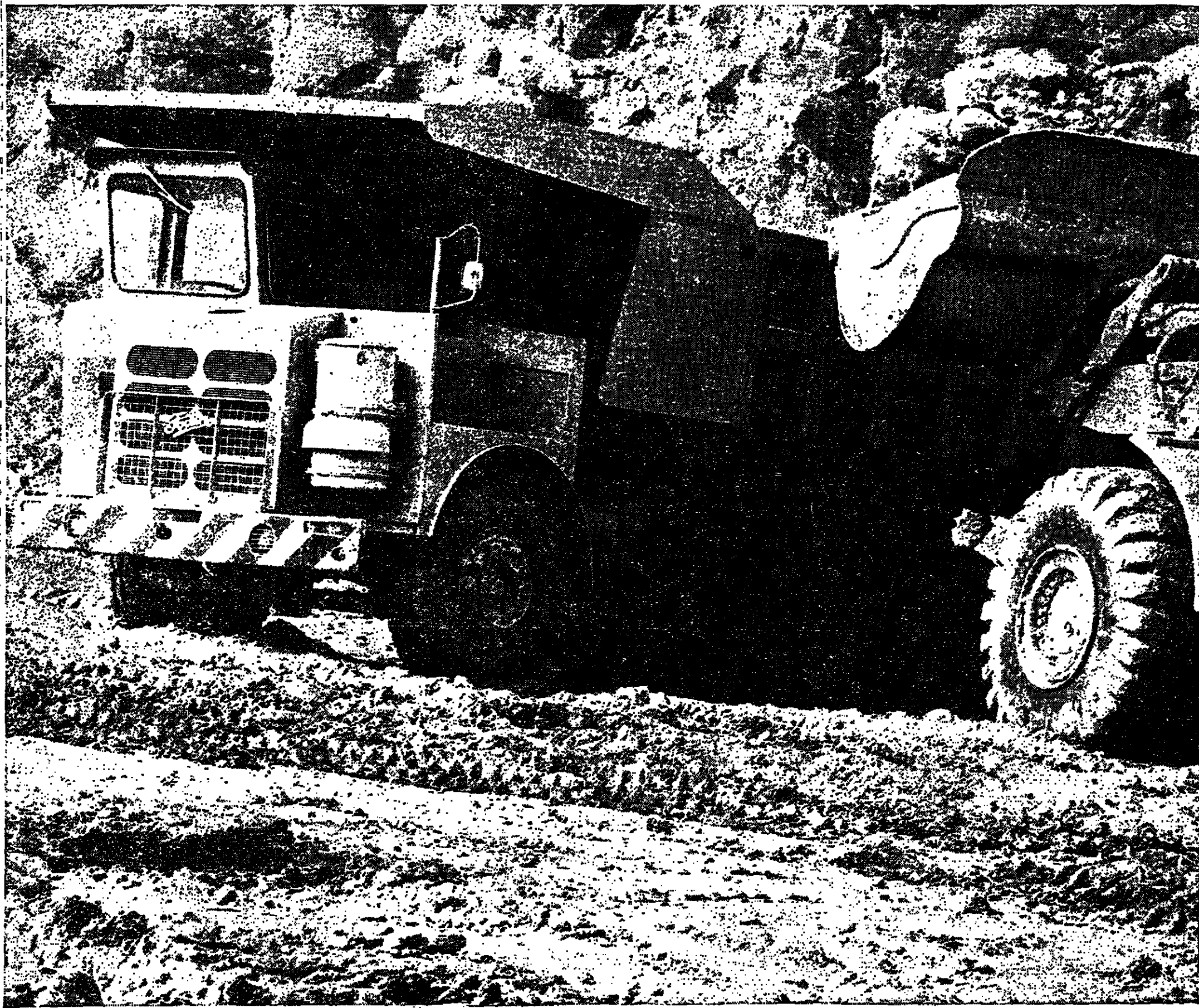
In this connection, however, one relatively new development is worth mentioning in passing—namely, the use of high-pressure water jets on certain soft rock faces, for tunnelling, coal and concrete cutting and for the machining, cleaning and descaling of products. Not much of this has been carried out in Britain so far, nor has there been much co-ordination of pilot activities elsewhere. The British Hydromechanics Research Association hopes to put this right, however, starting with an international symposium on the subject to be held early in April next year at the University of Warwick.

But the greatest technical advance to be found in the industry as a whole in recent years lies perhaps in its increased mobility through the developments that have taken place in the design and manufacture of dump trucks. These are now available in capacities of five to 100 tons, with models running on tracks or specially designed rubber tyres, and have cut significantly the time taken to get rock from the face to the treatment plant.

A major problem faced by users of wheel loaders, however, is high tyre cost. In an effort to overcome this, one of the leading manufacturers of quarry equipment, The Cater

Continued on next page

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QUARRYING II

Consideration of the environment

By JAMES MITCHELL

The outcry in certain quarters over the Government's decision to allow Rio Tinto-Zinc to go ahead with limited test boring in Snowdonia National Park has drawn national attention to a type of controversy that is becoming, it is feared, almost a sign of the times.

On the one hand are ranged the conservationists, many of whom are ready to scream "commercial vandalism" at the sight of a dump truck or mechanical shovel. On the other is the extractive industry, which in the past has rarely been reluctant to rip open this green and pleasant land and which often tends to be over sanguine about the extent of the mineral wealth that may lie concealed beneath any given area.

Somewhere in the middle is to be found the local population, whose views on any project are seldom given a great deal of publicity but who are often just as interested in jobs as in the local environment. This, for example, is thought to be the case with the RTZ proposals in North Wales.

Amid all this, the Department of the Environment or one of its satellite bodies is left to hold the ring.

precise money value on this output, though it must run into the hundreds of millions of pounds.

Moreover, demand for quarry stone is likely to grow steadily year by year into the foreseeable future. In 1969, for example, the quarry industry in the U.S. used or sold no less than 861m. tons of crushed and broken stone; by the year 2000, it is expected that this figure will have risen to at least 2,500m. tons. Much the same rate of increase can be expected in Britain.

Loss to science

A second consequence of running down the extractive industry in this country would be the loss to science and to geological activities in particular.

"The simple fact is that, without quarries, British geology would be really up against it," stated a member of the Nature Conservancy staff. "Though it is not generally realised, quarrying reveals far more sites of special geological interest than it ever does, one example being the Wren's Nest geological trails at Dudley, Staffordshire."

Altogether, the Conservancy is concerned with more than 2,000 Sites of Special Scientific Interest (SSSIs) many of which have been exposed by quarrying operations.

Official policy, then, and one with which to-day the industry readily co-operates, is to influence and, where necessary, control the quarrying process and the after-use. This was made clear a few months ago by Mr. Peter Walker, Secretary of State for the Environment, when he presented the Sand and Gravel Association's Brewis Trophy for work of outstanding merit.

Sand and gravel output in Britain, the Minister pointed out, had increased from 50m. tons in 1954 to 100m. tons in 1969 and would probably double again by 1985. Land quarried for this purpose had increased to 4,000 acres with more than 1,000 pits in operation.

"Here," Mr. Walker stressed, "lies a tremendous opportunity

for these crowded islands. We have artificial lakes being created for us because most of the quarrying lies in river valleys — here are man-made lagoons for water sport. Indeed, in England alone, the industry has probably supplied more inland water than Nature has managed herself. This is a fine legacy... but we can no longer afford the luxury of waiting for Nature to carry out its own reclamation. An increasing population and the growing demand for land—to say nothing of aesthetic considerations—make it imperative that all extraction operations nowadays are conducted in such a way that the land afterwards becomes an immediate asset."

These sentiments have been echoed in a practical manner by industry itself. Conservationists of every kind should welcome the news announced recently that Rio Tinto-Zinc and six other leading natural resource companies are to form an independent commission to study and make recommendations on environmental problems created by the extractive industry.

Many schemes

Meanwhile, much has already been done both by the industry and local authorities to make constructive after-use of quarries. The various schemes are in fact too numerous to mention here, but they include housing schemes, industrial and sporting developments and, quite commonly, landscaped water parks. One, being developed on some 900 acres of lake created by gravel extraction, is Cotswold Water Park lying about half-way between Cirencester and Swindon. This may eventually extend to some 3,500 acres. It is also worth mentioning that both the Natural History Museum and Chelsea F.C.'s Stamford Bridge stadium stand on the sites of former gravel pits.

For sheer enterprise, however, a current project being undertaken at Llechwedd slate mine at Blaenau Ffestiniog is hard to match. Here, at the world's largest slate mine, the owners, J. W. Greaves and Sons, have formed a new company, Quarry Tours Ltd., with a view to open-

ing part of the workings to tourists. The attractions will range from trips in special battery trucks through caverns and tunnels (with Wagnerian music as an accompaniment) to a craft shop, cafe and eventually a museum.

Reclaiming land

Another highly imaginative scheme but of a different order involves the co-operation of the Central Electricity Generating Board with the London Brick Company. Briefly, special liner trains are used to transport fly ash dust from the power stations in Nottinghamshire to the company's pits in the Peterborough area. As much as 6,000 tons a day is brought in this manner, mixed with water and pumped into worked out sections of the pits complex. The water is then decanted and used again.

"This is a 30-years' project," explained E. H. Burton, a director and estates manager of London Brick, "aimed at reclaiming as much as 3,500 acres of old pits. After these have been filled with ash, soil from a local sugar beet factory at Fletton will be spread on top, after which the land can be used for agriculture, tree planting or whatever purpose is thought best. Of course, under this scheme, the CEBB will fill up holes which haven't yet been dug."

Also in the Peterborough area, London Brick have built a new works in one of its old pits instead of filling it in. The pit in question, which is 70 feet deep, conceals everything of the works but the tips of the chimneys. Here, some 2,000,000 bricks are produced every week. Examples of this kind underline how much more conscious both Government and the extractive industry are to-day of the needs of the environment. Moreover, the whole process of reclamation and use is being accelerated by advances in technology. But the important thing is that there is now a substantial measure of experience and good will on both sides.

Neutral course

"We must, of course, pursue a strictly neutral course and judge each scheme on its merits," a senior official of the Department said. "I should add, however, that there are times when the more vocal section of the conservationists get things a bit out of perspective. If every quarrying proposal were to be turned down on the grounds that it might despoil the countryside, we would end up with no extractive industry at all, and I need not labour the consequences of that."

Even so, the consequences are worth looking at briefly. Every year the quarrying and open-cast mining industries in Britain extract literally hundreds of millions of tons of stone and other minerals — limestone, sandstone, granite, gravel and slate, to mention only a few — which are put to a thousand and one uses by industry and civil engineering enterprises. It is quite impossible to put a

Efficiency — (Cont'd.)

Continued from previous page

pillar Tractor Co. Ltd., has just brought out a special rubber cushion track for its wheel loaders under the trademark, Dystred.

"This incorporates the wear and traction features of tracks and at the same time offers the versatility of the rubber tyre," claimed a company executive. "It is designed for our large wheel loaders operating in severe conditions and fits round the tyre like a glove. Tests have shown that it should lead to considerable savings in tyre wear and tear compared with conventional rock tyres or tyres with chains."

Competition among dump truck manufacturers is of course intense, each claiming special virtues such as strength, capacity, manoeuvrability and so on, or a combination of all three, together often with price advantages. The Chief Inspector of Mines and Quarries is himself not quite as enthusiastic. Whilst acknowledging the gain in mobility from the latest earth-moving machines, in a recent annual report he also drew attention to the need to improve standards of maintenance for brakes and steering mechanisms on dump trucks, particularly on the larger models.

Dump trucks

Meanwhile, two significant developments in the dump truck field consist of a new on-off highway tipper by Foden, and of the recent arrival in South Wales of six 100-ton dump trucks from the Canadian factory of the Unit Rig Company of Tulsa, Oklahoma.

Foden claim that its new tipper is built "to withstand anything that is likely to happen to it on the roughest of sites" while at the same time being the first vehicle of its kind to meet the proposed new highway regulations with a GVW of 24 tons.

"The really important feature about this vehicle," stated E. S. Foden, an executive director of the company, "is the considerable use which can be made of it on the open highway. It was designed with this dual purpose in mind—we were thinking in terms of about 70 per cent. site working and 30 per cent. highway use—and, as such, it is much tougher than the average dump truck. Fully laden, it has a road speed of 35-40 m.p.h. It costs £9,500.

As to the giant dumptrucks from Unit Rig, these had to be shipped in parts and assembled at Barry Docks because of their size. Their total cost, including the wheels and tyres which were made in this country by Dunlop, was £100,000 each, and they form the first part of an order for 11 such vehicles placed by the contractors, Derek Crouch Ltd. They are now operating at a new open-cast coal mining site at Llantid.

Crushing plant

Crushing and grinding equipment is another field in which size plays a vital part. Nordberg of Baling, for example, a division of Rex Chainbelt Inc. of Milwaukee, can boast a gyratory crusher at Merehead Quarry in Somerset which has dealt with 3,000 tons of limestone in a hour at a 7 in. setting. "Our biggest machine," added a company executive, "is made by the parent company and can handle up to 4,685 short tons per hour."

Also in the "big league" is the newest mobile crushing plant made by W. H. Baxter Ltd. of Leeds. This, one of the largest machines of its type ever made in the U.K., is powered by a 180 H.P. Diesel engine and has a total weight of 60 tons. It incorporates a single toggle 40 in. x 32 in. roller bearing crusher with hydraulic, quick-setting jaw adjustment.

Fitness for the job and ease of maintenance and operation are of course even more important than size and speed. Thus, Sheepbridge Equipment Ltd. of Chesterfield are more than pleased with the performance of their new cubic impact breaker in operation at the lime-works of Streetley Manufacturing at Dowlow, Buxton. This machine can reduce run-of-quarry limestone to minus 3 in. aggregate at over 500 tons per hours in one pass.

As with dump trucks and crushers, other types of quarry plant and machinery is becoming more and more sophisticated with each year that passes. This applies both to rock-winning equipment, such as drills, excavators, shovels, tractors, and the like and to processing plant, including screens, vibrators, belting, grinders, pulverisers, polishers, scrubbers and asphalt, bitumen and tarmacadam plants. Dust extraction and collection sys-

tems have likewise improved, often out of all recognition.

The same is true over the past ten years of electronic control systems and automated equipment, particularly in the case of tarmacadam, bitumen and asphalt plants. This applies both to the processing of the stone and dust and mixing it with coating materials. One firm, Arconrol of Borough Green in Kent, specialises in fact in the provision of electrical control panels for the industry. Yet for all that, and despite the importance of the industry, the computer has yet to make a dramatic impact on its affairs.

Sophisticated equipment, however, places a demand for skill from the worker and management. At the same time heavy, fast and mobile machines create hazards. Together, these factors make training an urgent priority, and the Chief Inspector of Mines and Quarries, for one, labours under no delusion that all is well in this department.

Accident rate

"The accident rate in quarries," one of his reports stressed, "where 38 persons were killed and 99 seriously injured compared with 23 and 90 respectively in 1967, gives cause for concern. It approaches the rate for coal mines where the environment is much more hazardous, and it is evident that lack of adequate training is a contributory cause. Many accidents also result from failure in communication due to lack of clear instructions on sound training and on the principles of good practice."

Some of the Inspectors strictures for the year 1968 were covered by new regulations for quarry vehicles introduced in 1970. However, in the final analysis, any real improvement in the safety record can be achieved only through a change in human attitudes. As any accident prevention officer will confirm, better figures require—like the preservation of freedom—unrelenting vigilance.

But this is not to make light of the technological excellence found in our quarrying industry today. Without it, the industry simply would not be viable in a financial sense, nor would it be able to supply the materials which are going to be so vitally needed if the country is to create the services and environment to cope with the population explosion of the future.

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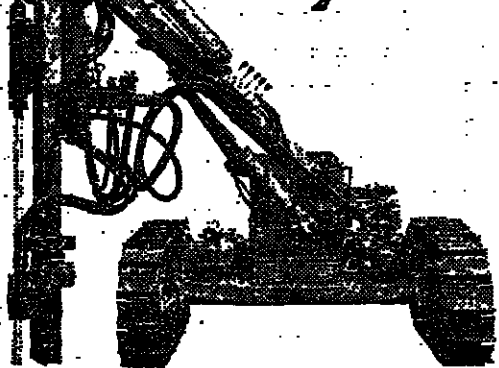
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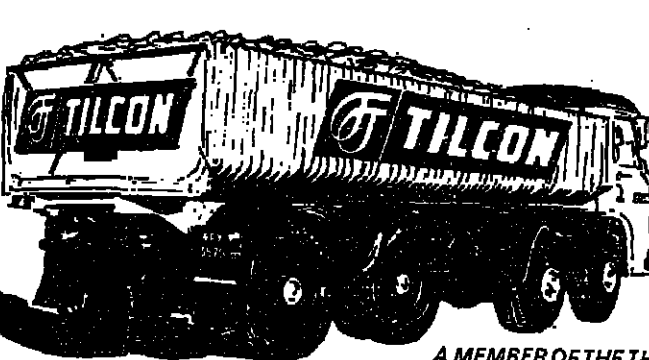
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WALL STREET + OVERSEAS MARKETS + MONEY + EXCHANGES

Dow rises 6.49: under day's best

BY OUR WALL STREET CORRESPONDENT

AN upswing in trading on Wall Street today recouped some of last week's heavy loss, with the popular averages closing somewhat below the best of the session.

The Dow Jones Industrial Average closed up 6.49 at 844.92 (up 8.61 earlier in the session). The S&P 500 Industrial Average was up 28 cents but off 30 cents from the day's highest gain of 60 cents. The NYSE composite index ended 0.22 but more than a 10-cent drop from its day's high. Advances led declines two to one on a low volume of 11.8m. shares, against 12.97m. at the close of the previous session.

In addition to technical factors, the market received several important psychological boosts from the removal of the threat of a nationwide steel strike, settlement of a pending airline strike, and in the final minutes of the session, passage of the Lockheed loan bill by the Senate.

Analysts spoke with caution, however, the market outlook for the rest of the week. One analyst noted that Senate passage of the Lockheed Bill might be good for "dividend rally" in the morning.

But another views the market as "quite overvalued" and thinks pessimism especially by the Press has been overdone.

As positive factors, he cites the 10 per cent rise in corporate profits in the June quarter, growing income from foreign investments, mounting pressure for tax cuts, and a Chicago report that the level of inflation is waning.

Lockheed, the second most active issue, was halted shortly after the Senate vote at 11.50, up 27 cents on the day, and below yesterday's high. McDonnell Douglas, whose DC-10 airbus now has cleared competition from the Lockheed TriStar, slipped 8 1/2 cents.

International Telephone and Telegraph, the volume leader, fell 5 1/2 to 53 1/2.

Among steels, U.S. Steel gained \$1 to \$24 1/2. Bethlehem \$1 to \$24 1/2. Republic \$1 1/2 to \$24 1/2. A price boost announced by U.S. Steel helped the group.

In rails, Seaboard Coast Line advanced \$1 to \$37 1/2. Burlington Northern \$1 to \$40 1/2. Northwest Industries \$1 to \$27 1/2.

Computer issues also finished generally higher. Honeywell announced a price increase and gained \$1 1/2 to \$95 1/2. IBM gained \$2 1/2 to \$239 1/2. Control Data \$1 to \$31 1/2. Burroughs closed \$1 1/2 at \$117 1/2.

On the active list, Federal Pacific Electric advanced \$1 1/2 to \$20 1/2. U.S. Smelting and Refining said it had made an offer to acquire 80,000 shares of FPC at \$21 per share.

Occidental Petroleum ticked on \$1 to \$1 1/2. Amerasia slipped 1/2 to \$6 1/2. General Electric added \$1 1/2 to \$5 1/2.

Prices on the American Stock Exchange tended to moderate trading. The index closed ahead 0.11 and advanced declines by five to three. Volume was 3.16m. shares.

Volume leader, Loews WTS, finished unchanged at \$23 1/2. Continental Materials, the second most active, slipped \$1 to \$23 1/2. American Petroline added \$1 to \$22 1/2.

OTHER MARKETS

Canada higher

Stocks gained in light trading on the Montreal Exchange yesterday. The Montreal Industrial Index was up 1.27 to 183.47. Utilities and Banks closed mixed, while Industrials and Papers moved higher.

Seneca joined \$1 to \$36. Falconbridge lost \$1 to \$26. The Toronto Stock Exchange was closed for a civic holiday.

STOCKS — Slightly easier on profit-taking. Among leading Chemicals and Electricals, Bayer was slightly higher but Hoechst and Siemens lost. Banks declined. Man and Demag eased. Chemier-Walting and Kall-Chemie moved ahead.

PARIS — Quiet with prices moving irregularly, although gains outnumbered losses. Last week's hints by Finance Minister Valéry Giscard d'Estaing that exchange controls were being reviewed were counter-balanced

by the announcement of higher minimum reserve requirements for commercial banks.

Banks and Financials generally gained ground. Stores and Electricals were very quiet, while Francaise des Petroles declined on profit-taking, as did Norsk Hydro.

In Chemicals, Roussel Uclaf moved ahead against the trend. International also advanced marginally in line with Friday's Wall Street close.

SWITZERLAND — Generally maintained in listless trading. Among Banks and Financials, small gains predominated, but Insurance declined slightly.

Otherwise neglected Chemicals, Sandos improved. Janssen, B&C and Sulzer were traded around last week's closing prices. State Bonds were mainly steady.

In the forward sector, Dollar Stocks closed mainly weaker in moderately active dealings, led by Control Data and IBM. Dutch shares were barely steady, while German stocks were well maintained.

MILAN — Irregularly lower in very quiet trading. Fiat, Montedison and other industrial leaders

tended lower while small buying centred on Bostogi, La Centrale, Invest and other Financials. Quicksilver also met buying with Steadfast. Bonds were firmer.

OSLO — Banks and Industrials tended firmer. Insurances were quiet, while Shippings tended easier.

VIENNA — Quietly firm. Vestscheider moved ahead, as did Steadfast. Bonds were firmer.

COPENHAGEN — Steady to quietly firm.

TOKYO — Profit-taking as the market lost ground in somewhat limited trading. Oils and issues related to public hazard control were initially higher, but Electricals and other export-oriented stocks declined. Volume was 190m. shares.

Dealers believe the decline was a pause and consolidation phase before a new upturn. Buying by overseas investors has also been limited, apparently due to overseas vacations.

Damage insurances were initially higher, as dealers believed they would benefit from yen revaluation, but some later levelled off.

Electricals eased as dealers feared exports might decline as a result of the Japanese Government's eight-point programme to restore equilibrium in balance of international payments.

Slightly lower in quiet trading. Golds drifted in light dealings with dealers reporting small London buying. Metals were unchanged.

Mining financials followed the trend in Golds with most counters easier where changed. Banks and Collieries were quiet and little changed. Industrials were generally steady.

SYDNEY STOCK EXCHANGE closed for August Bank Holiday.

Heavyweight issues were quiet trading. Oil and speculative mining counters were mixed.

Bongaville dropped 8 cents to \$2.00. Hill closed 10 cents to \$2.00. Consolidated Gold shed 15 cents to \$7.40. Peko 20 cents to \$8.50. Nathaniel Investments 10 cents to \$13.00.

Metals Exploration, Great Boulder and MIM Holdings also eased. Poseidon fell 30 cents to \$21.00 and Hamersley was weak at 2 1/2 to \$2.00.

Woodside eased 12 cents to \$1.50 while the Contributing Shares dipped 3 cents to 86 cents. Mid Eastern Oil firmed at 75 cents.

NSW and Gas added 2 cents to 45 cents, and Beach 8 cents to 60 cents.

Spargo's dropped 15 cents to \$1.20. Southland firmed 14 cents to 94 cents, as did Seaboard \$1.13. B&B firmed 2 cents to \$2.00. Phillip Morris, Bell Bros. and Ballarat Wool also eased. Dalgely lost 15 cents.

STANDARD AND POORS U.S. STOCK INDICES

Aug. 2	July 30	July 29	July 28	July 27
Industrials	105.83	105.83	105.83	105.83
Composite	105.83	105.83	105.83	105.83
July 29	105.83	105.83	105.83	105.83
July 30	105.83	105.83	105.83	105.83
July 31	105.83	105.83	105.83	105.83
1971 High	113.54	104.77	104.77	104.77
1971 Low	97.33	97.33	97.33	97.33
1971 Range	16.21	7.44	7.44	7.44
1971 Vol.	1,471	1,471	1,471	1,471

* 425 Industrials, New York, 1927-1970. Utilities and 25 Stocks, 1941-1970.

STOCK AND BOND YIELDS

Industrial div. yield	July 29	July 29	July 29
PC	2.97	2.92	3.23
Price-earnings ratio	15.01	15.43	15.74
Government Corp. Bond	6.52	6.18	6.74

MOST ACTIVE STOCKS

	traded	price
Int. Tel. & Tel.	197,000	55
Lockheed	192,300	11 1/2
Fed. Pac. El.	187,800	20 1/2
Occidental Petrolm.	112,700	17 1/2
U.S. Steel	107,900	29 1/2
Amerasia Hess	95,000	62 1/2
Ramada Inns.	84,100	31
General Elec.	83,100	54 1/2

TORONTO INDUSTRIAL INDEX

Aug. 2	July 30	July 29	July 28	July 27
Index	183.47	183.47	183.47	183.47
July 29	183.47	183.47	183.47	183.47
July 30	183.47	183.47	183.47	183.47
July 31	183.47	183.47	183.47	183.47
1971 High	193.51	183.47	183.47	183.47
1971 Low	177.84	183.47	183.47	183.47
1971 Range	15.67	183.47	183.47	183.47
1971 Vol.	1,471	1,471	1,471	1,471

MONTREAL INDUSTRIAL INDEX

Aug. 2	July 30	July 29	July 28	July 27
Index	183.47	183.47	183.47	183.47
July 29	183.47	183.47	183.47	183.47
July 30	183.47	183.47	183.47	183.47
July 31	183.47	183.47	183.47	183.47
1971 High	193.51	183.47	183.47	183.47
1971 Low	177.84	183.47	183.47	183.47
1971 Range	15.67	183.47	183.47	183.47
1971 Vol.	1,471	1,471	1,471	1,471

COMBINED INDEX

Aug. 2	July 30	July 29	July 28	July 27
Index	183.47	183.47	183.47	183.47
July 29	183.47	183.47	183.47	183.47
July 30	183.47	183.47	183.47	183.47
July 31	183.47	183.47	183.47	183.47
1971 High	193.51	183.47	183.47	183.47
1971 Low	177.84	183.47	183.47	183.47
1971 Range	15.67	183.47	183.47	183.47
1971 Vol.	1,471	1,471	1,471	1,471

JOHANNESBURG INDUSTRIAL INDEX

Aug. 2	July 30	July 29	July 28	July 27
Index	183.47	183.47	183.47	183.47
July 29	183.47	183.47	183.47	183.47
July 30	183.47	183.47	183.47	183.47
July 31	183.47	183.47	183.47	183.47
1971 High	193.51	183.47	183.47	183.47
1971 Low	177.84	183.47	183.47	183.47
1971 Range	15.67	183.47	183.47	183.47
1971 Vol.	1,471	1,471	1,471	1,471

AUSTRALIA

Aug. 2	July 30	July 29	July 28	July 27
Index	183.47	183.47	183.47	183.47
July 29	183.47	183.47	183.47	183.47
July 30	183.47	183.47	183.47	183.47
July 31	183.47	183.47	183.47	183.47
1971 High	193.51	183.47	183.47	183.47
1971 Low	177.84	183.47	183.47	183.47
1971 Range	15.67	183.47	183.47	183.47
1971 Vol.	1,471	1,471	1,471	1,471

MELBOURNE YIELD INDICES

Aug. 2	July 30	July 29	July 28	July 27
Index	183.47	183.47	183.47	183.47
July 29	183.47	183.47	183.47	183.47
July 30	183.47	183.47	183.47	183.47
July 31	183.47	183.47	183.47	183.47
1971 High	193.51	183.47	183.47	183.47
1971 Low	177.84	183.47	183.47	183.47
1971 Range	15.67	183.47	183.47	183.47
1971 Vol.	1,471	1,471	1,471	1,471

SYDNEY ALL ORD. INDEX

Aug. 2	July 30	July 29	July 28	July 27
Index	183.47	183.47	183.47	183.47
July 29	183.47	183.47	183.47	183.47
July 30	183.47	183.47	183.47	183.47
July 31	183.47	183.47	183.47	183.47
1971 High	193.51	183.47	183.47	183.47
1971 Low	177.84	183.47	183.47	183.47
1971 Range	15.67	183.47	183.47	183.47
1971 Vol.	1,471	1,471	1,471	1,471

TOKYO NEW SE INDEX

Aug. 2	July 30	July 29	July 28	July 27
Index	183.47	183.47	183.47	183.47
July 29	183.47	183.47	183.47	183.47
July 30	183.47	183.47	183.47	183.47
July 31	183.47	183.47	183.47	183.47
1971 High	193.51	183.47	183.47	183.47
1971 Low	177.84	183.47	183.47	183.47
1971 Range	15.67	183.47	183.47	183.47
1971 Vol.	1,471	1,471	1,471	1,471

EUROPE

Aug. 2	July 30	July 29	July 28	July 27
Index	183.47	183.47	183.47	183.47
July 29	183.47	183.47	183.47	183.47
July 30	183.47	183.47	183.47	183.47
July 31	183.47	183.47	183.47	183.47
1971 High	193.51	183.47	183.47	183.47
1971 Low	177.84	183.47	183.47	183.47
1971 Range	15.67	183.47	183.47	183.47
1971 Vol.	1,471	1,471	1,471	1,471

PARIS

Aug. 2	July 30	July 29	July 28	July 27
Index	183.47	183.47	183.47	183.47
July 29	183.47	183.47	183.47	183.47
July 30	183.47	183.47	183.47	183.47
July 31	183.47	183.47	183.47	183.47
1971 High	193.51	183.47	183.47	183.47
1971 Low	177.84	183.47	183.47	183.47
1971 Range	15.67	183.47	183.47	183.47
1971 Vol.	1,471	1,471	1,471	1,471

MILAN

Aug. 2	July 30	July 29	July 28	July 27
Index	183.47	183.47	183.47	183.47
July 29	183.47	183.47	183.47	183.47
July 30	183.47	183.47	183.47	183.47
July 31	183.47	183.47	183.47	183.47
1971 High	193.51	183.47	183.47	183.47
1971 Low	177.84	183.47	183.47	183.47
1971 Range	15.67	183.47	183.47	183.47
1971 Vol.	1,471	1,471	1,471	1,471

TOKYO

Aug. 2	July 30	July 29	July 28	July 27
Index	183.47	183.47	183.47	183.47
July 29	183.47	183.47	183.47	183.47
July 30	183.47	183.47	183.47	183.47
July 31	183.47	183.47	183.47	183.47
1971 High	193.51	183.47	183.47	183.47
1971 Low	177.84	183.47	183.47	183.47
1971 Range	15.67	183.47	183.47	183.47
1971 Vol.	1,471	1,471	1,471	1,471

BRUSSELS

914	Dominion	151 1/2
1878	Dugout	18
821 1/2	Edwards Nat. Can.	255 1/2
445 1/2	Hudson's Bay	18
28	Innes	76 1/2
	Int'l Harb. Bd.	24 1/2
	Int'l P&N Pipe Line	283 1/2
	Int'l P&N Nfld.	24 1/2
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	Int'l P&N Nfld.	24 1/2
	Int'l P&N Nfld.	24 1/2
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	Int'l P&	

Building imports survey planned

Deficiencies

Heath on Employment

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

to be felt and it complains that lack of adequate employment opportunities is causing great concern.

"Call" rates

OPTION DEALING DATES **British Land, Barclay**

"Puts" were taken out in Shipping Industrial, Rbt. Stigwood, ICI and Rank Organisation "A." while a double option was completed in Rank Organisation "A."

Wickens	7	F. S. Geduld	52
Woodworth	6	Urrat Boulder	20
		Hampton Area	18
Property		Hampton Props.	9
Cap. Counties	12	Klond	20
Land Secs.	12	Lumbr	10
Peacher	7	Lumbr	5
Star. (St. Brit.) ..	10	Metals Explor.	26
Town & City	10	Newmetal	4

AL GROUP

**CONSUMER
NON-DURABLE**

CAPITAL GOODS GROUP

INDUSTRIAL GROUP

INDEX

ward course since early-March. " index is currently standing advance of almost 31 per cent. Capital Goods Index, having Groups for most of this year, of 33 per cent. over the same

based on prospectus or other official estimates for 1970. c Assumed dividends and yield after paying scrip and, or, rights issue. d Excluding dividends of U.S. Capital Gains Tax. e Figures based on prospectus or other official estimates for 1972. f Figures based on prospectus or other official estimates for 1970-71. g Equivalent rate before additional capital

- ◆ Previous dividend or forecast.
- ▲ Indicates interim dividend, since paid, where none was paid before.
- Convertible loan stock issue in existence.
- ◆ Merger bid or reorganisation in progress.
- ◆ Special deposit certificates.

Excluding a final dividend declaration.
Provincial quotations.
No par value.
Abbreviations: x ex dividends; x ex
scrip issue; x ex rights; x ex return
rights; x ex all; x ex drawings;
the U.P. distribution; x ex partial
distribution.

Building imports survey planned

BY MICHAEL CASSELL

A GOVERNMENT SURVEY to determine the level of building material imports and to examine possible ways of reducing them in future has been commissioned by Mr. Julian Amery, Minister for Housing and Construction.

The Department of the Environment has regularly underlined the excellent growth of exports in this field, which Mr. Amery has ranked in importance alongside motor industry's exports, but yesterday it admitted that the amount of information available on imports was far from adequate.

The survey will attempt to improve the statistics on material and component imports into Britain. A Department spokesman said last night: "This is an area of the building industry which is statistically deficient. Only very crude estimates exist of the total value and sources of origin of materials and components imported. The totals themselves may be severe underestimates of the import content of the U.K.'s building and construction programme."

The last set of official figures outlining the import pattern was provided as far back as 1963, although a review of the situation between 1963 and 1968 is expected to provide results soon.

The results of this review are now expected to show a major change in the proportion of foreign materials coming into the country, although it is known that, since 1968, some builders have been relying more on overseas suppliers especially when faced with supply or pricing difficulties at home.

Attempts to produce quantitative estimates for each major group and sub-group which comprise total imports building items will be followed by an examination of those which offer important savings in terms of potential investigation. Possible action to reduce dependence on foreign supplies for these items will then be considered.

Deficiencies

The Department spokesman added: "We will be examining the economic, design and motivational factors for imports. This part of the investigation must suggest possible sources of savings for the balance of payments by indicating whether deficiencies exist in the product ranges, quality, choice of materials or what price, design or quality features may need attention to match foreign competition."

The attention from any part of the industry with useful information has been called for by the Department and potential participants have been assured that help received will be treated confidentially.

Approach to Heath on N-W unemployment

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

THE North-West Industrial Development Association yesterday released the text of a memorandum submitted to the Prime Minister on 18 August concerning the situation in the region and other major problems affecting industrial development and the environment.

The Association is waiting to hear whether Mr. Heath is prepared to receive a deputation to discuss the issues causing concern in the area.

In its memorandum the Association points out that the North-West, with population around 7m, is a particularly sensitive region politically... and that there is a strong feeling that it is being unfairly treated in relation to other parts of the country.

Between June, 1970, and June this year unemployment rose by 42 per cent., more than in any other region in England except East Anglia. Of a further period, from June, 1968 to June, 1971, is taken, a similar picture emerges, it says.

The Association emphasises that the closure of several closures and labour contractions have still to be felt and it complains that lack of adequate employment opportunities is causing great concern.

The position of younger people is "particularly alarming," it says.

One of the most disturbing aspects of the present situation is the massive investment in the North-West, the Association says. Between 1965-70 this amounted to only £188 head of population in the region, compared with a national average of £189 per head and a figure of £280 per head for Scotland.

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Deal Declared Settlement Date	Second Deal Declared Settlement Date
July 20 Aug. 22 Oct. 14 Oct. 26	Aug. 3 Sept. 5 Oct. 28 Nov. 9
Aug. 17 Sept. 19 Nov. 11 Nov. 23	

A quieter day's trading was seen yesterday in the Option market as "Calls" were made in Adeption, Scotia Investments, CCL Systems, Wolsley-Hughes, Kent Castings, Redland, Triumph Investment, Sterling Guarantee,

"Puts" were taken out in Shipping Industries, RBE Stigwood, ICI and Rank Organisation "A" while a double option was completed in Rank Organisation "A".

Prices in pence unless otherwise stated.

Instrument	Price	Instrument	Price
A. F. Cement	19	Hed Inst.	12
Burdays Bank	25	Treasury Walker	15
Beucham	18	Thorn	20
Bentley & Sons	15	Thorn's A	20
B.O.A.T.	10	Thorn's B	20
Burton	18	Thorn's C	20
Burns & McDougall	15	Thorn's D	20
British Oxygen	15	Ud. Disney	12
Burton A	15	Vickers	15
Burton B	15	Wadsworth	15
Cable News	15	Property	15
Cashmere	15	Rent Counties	12
Cashmere A	15	Land Sec.	12
Cashmere B	15	Fidelity	15
Cashmere C	15	Guthrie	10
Cashmere D	15	Town & City	10
Cashmere E	15	Town & Comm.	11
Cashmere F	15	Oils	15
Cashmere G	15	Brit. Petroleum	35
Cashmere H	15	Shell Oil	35
Cashmere I	15	Oil Search	4
Cashmere J	15	No. 1	25
Cashmere K	15	Unimac	24
Cashmere L	15		
Cashmere M	15		
Cashmere N	15		
Cashmere O	15		
Cashmere P	15		
Cashmere Q	15		
Cashmere R	15		
Cashmere S	15		
Cashmere T	15		
Cashmere U	15		
Cashmere V	15		
Cashmere W	15		
Cashmere X	15		
Cashmere Y	15		
Cashmere Z	15		

INDUSTRIAL GROUP

Boosted by the March Budget proposals and the recent fall, all three sections of the 498 Industrial Group share index plotted a strong upward course since early-March. Consequently, the "498 Group" index is now standing near its peak for 1971 with an advance of almost 31 per cent. since the beginning of the year. Capital Goods Index, having lagged behind the Consumer Groups for most of this year, are now in front with a rise of 33 per cent. over the same period, helped by recovery hopes.

SHARE INFORMATION SERVICE : NOTES

The following Notes relate to Share Denominations are 25p unless otherwise indicated.

Yields allow for value of declared distributions and rights and are based on estimated price-earnings ratios and "times covered" are based on corporation tax of 10 per cent. and exclude transitional relief.

* Highs and lows marked thus have been adjusted to allow for rights issues for interim dividend.

† Interim (or quarterly) sales increased or decreased.

‡ Figures for return wanted.

§ Dividends and yield include a special dividend or bonus payment from capital source may preclude calculation of dividend cover.

|| Tax free up to £1000 based on anticipated or other financial estimate. † Cent. ‡ Dividend rate paid or payable on part of capital cover based on dividend on full capital in Redeemable yield. † Flat yield. ‡ Assumed dividend and yield if assumed dividend and yield after special dividend payment from capital source. ‡ After full tax: no income higher than previous total. ‡ Rights issue pending. ‡ Price except where otherwise indicated. ‡ Earnings based on preliminary figures. ‡ Australian currency. ‡ Dividends and yield include a special dividend or bonus payment from capital source. ‡ Dividends and yield include a special dividend or bonus payment from capital source. ‡ Dividends and yield include a special dividend or bonus payment from capital source.

CONSUMER NON-DURABLE

CONSUMER DURABLE

CAPITAL GOODS GROUP

INDUSTRIAL GROUP INDEX

J Feb Mar Apr May Jun Jul A

180
170
160
150
140
130
120
110

Boosted by the March Budget proposals and the recent fall, all three sections of the 498 Industrial Group share index plotted a strong upward course since early-March. Consequently, the "498 Group" index is now standing near its peak for 1971 with an advance of almost 31 per cent. since the beginning of the year. Capital Goods Index, having lagged behind the Consumer Groups for most of this year, are now in front with a rise of 33 per cent. over the same period, helped by recovery hopes.

ST. SHARE INFORMATION SERVICE

7 | ENGINEERING AND METAL—Gen. Cont.

HOTELS AND CATERERS—Continued

TLSH FUNDS

1971	Stock	Gross Yield per				1971	Stock	Gross Yield per			
		+	-	or	in %			+	-	or	in %
High	Low					High	Low				
"Shorts" (Uses up Five Years)											
904	974 G. R. Schaefer 97-171	99 1/2	+		6.58	440	310 Ashbitt Paper	385	-		
905	980 R. Schaefer 97-171	100 1/2	+		6.74 57	441	320 B. Montreal (92)	760 1/2	+		
906	985 G. R. Schaefer 97-171	100 1/2	+		6.58 54	442	330 B. Valley 1	760 1/2	+		
907	990 R. Schaefer 97-171	100 1/2	+		6.58 54	443	340 B. Valley 2	760 1/2	+		
908	995 R. Schaefer 97-171	100 1/2	+		6.58 54	444	350 B. Valley 3	760 1/2	+		
909	1000 R. Schaefer 97-171	100 1/2	+		6.58 54	445	360 B. Valley 4	760 1/2	+		
910	1005 R. Schaefer 97-171	100 1/2	+		6.58 54	446	370 B. Valley 5	760 1/2	+		
911	1010 R. Schaefer 97-171	100 1/2	+		6.58 54	447	380 B. Valley 6	760 1/2	+		
912	1015 R. Schaefer 97-171	100 1/2	+		6.58 54	448	390 B. Valley 7	760 1/2	+		
913	1020 R. Schaefer 97-171	100 1/2	+		6.58 54	449	400 B. Valley 8	760 1/2	+		
914	1025 R. Schaefer 97-171	100 1/2	+		6.58 54	450	410 B. Valley 9	760 1/2	+		
915	1030 R. Schaefer 97-171	100 1/2	+		6.58 54	451	420 B. Valley 10	760 1/2	+		
916	1035 R. Schaefer 97-171	100 1/2	+		6.58 54	452	430 B. Valley 11	760 1/2	+		
917	1040 R. Schaefer 97-171	100 1/2	+		6.58 54	453	440 B. Valley 12	760 1/2	+		
918	1045 R. Schaefer 97-171	100 1/2	+		6.58 54	454	450 B. Valley 13	760 1/2	+		
919	1050 R. Schaefer 97-171	100 1/2	+		6.58 54	455	460 B. Valley 14	760 1/2	+		
920	1055 R. Schaefer 97-171	100 1/2	+		6.58 54	456	470 B. Valley 15	760 1/2	+		
921	1060 R. Schaefer 97-171	100 1/2	+		6.58 54	457	480 B. Valley 16	760 1/2	+		
922	1065 R. Schaefer 97-171	100 1/2	+		6.58 54	458	490 B. Valley 17	760 1/2	+		
923	1070 R. Schaefer 97-171	100 1/2	+		6.58 54	459	500 B. Valley 18	760 1/2	+		
924	1075 R. Schaefer 97-171	100 1/2	+		6.58 54	460	510 B. Valley 19	760 1/2	+		
925	1080 R. Schaefer 97-171	100 1/2	+		6.58 54	461	520 B. Valley 20	760 1/2	+		
926	1085 R. Schaefer 97-171	100 1/2	+		6.58 54	462	530 B. Valley 21	760 1/2	+		
927	1090 R. Schaefer 97-171	100 1/2	+		6.58 54	463	540 B. Valley 22	760 1/2	+		
928	1095 R. Schaefer 97-171	100 1/2	+		6.58 54	464	550 B. Valley 23	760 1/2	+		
929	1100 R. Schaefer 97-171	100 1/2	+		6.58 54	465	560 B. Valley 24	760 1/2	+		
930	1105 R. Schaefer 97-171	100 1/2	+		6.58 54	466	570 B. Valley 25	760 1/2	+		
931	1110 R. Schaefer 97-171	100 1/2	+		6.58 54	467	580 B. Valley 26	760 1/2	+		
932	1115 R. Schaefer 97-171	100 1/2	+		6.58 54	468	590 B. Valley 27	760 1/2	+		
933	1120 R. Schaefer 97-171	100 1/2	+		6.58 54	469	600 B. Valley 28	760 1/2	+		
934	1125 R. Schaefer 97-171	100 1/2	+		6.58 54	470	610 B. Valley 29	760 1/2	+		
935	1130 R. Schaefer 97-171	100 1/2	+		6.58 54	471	620 B. Valley 30	760 1/2	+		
936	1135 R. Schaefer 97-171	100 1/2	+		6.58 54	472	630 B. Valley 31	760 1/2	+		
937	1140 R. Schaefer 97-171	100 1/2	+		6.58 54	473	640 B. Valley 32	760 1/2	+		
938	1145 R. Schaefer 97-171	100 1/2	+		6.58 54	474	650 B. Valley 33	760 1/2	+		
939	1150 R. Schaefer 97-171	100 1/2	+		6.58 54	475	660 B. Valley 34	760 1/2	+		
940	1155 R. Schaefer 97-171	100 1/2	+		6.58 54	476	670 B. Valley 35	760 1/2	+		
941	1160 R. Schaefer 97-171	100 1/2	+		6.58 54	477	680 B. Valley 36	760 1/2	+		
942	1165 R. Schaefer 97-171	100 1/2	+		6.58 54	478	690 B. Valley 37	760 1/2	+		
943	1170 R. Schaefer 97-171	100 1/2	+		6.58 54	479	700 B. Valley 38	760 1/2	+		
944	1175 R. Schaefer 97-171	100 1/2	+		6.58 54	480	710 B. Valley 39	760 1/2	+		
945	1180 R. Schaefer 97-171	100 1/2	+		6.58 54	481	720 B. Valley 40	760 1/2	+		
946	1185 R. Schaefer 97-171	100 1/2	+		6.58 54	482	730 B. Valley 41	760 1/2	+		
947	1190 R. Schaefer 97-171	100 1/2	+		6.58 54	483	740 B. Valley 42	760 1/2	+		
948	1195 R. Schaefer 97-171	100 1/2	+		6.58 54	484	750 B. Valley 43	760 1/2	+		
949	1200 R. Schaefer 97-171	100 1/2	+		6.58 54	485	760 B. Valley 44	760 1/2	+		
950	1205 R. Schaefer 97-171	100 1/2	+		6.58 54	486	770 B. Valley 45	760 1/2	+		
951	1210 R. Schaefer 97-171	100 1/2	+		6.58 54	487	780 B. Valley 46	760 1/2	+		
952	1215 R. Schaefer 97-171	100 1/2	+		6.58 54	488	790 B. Valley 47	760 1/2	+		
953	1220 R. Schaefer 97-171	100 1/2	+		6.58 54	489	800 B. Valley 48	760 1/2	+		
954	1225 R. Schaefer 97-171	100 1/2	+		6.58 54	490	810 B. Valley 49	760 1/2	+		
955	1230 R. Schaefer 97-171	100 1/2	+		6.58 54	491	820 B. Valley 50	760 1/2	+		
956	1235 R. Schaefer 97-171	100 1/2	+		6.58 54	492	830 B. Valley 51	760 1/2	+		
957	1240 R. Schaefer 97-171	100 1/2	+		6.58 54	493	840 B. Valley 52	760 1/2	+		
958	1245 R. Schaefer 97-171	100 1/2	+		6.58 54	494	850 B. Valley 53	760 1/2	+		
959	1250 R. Schaefer 97-171	100 1/2	+		6.58 54	495	860 B. Valley 54	760 1/2	+		
960	1255 R. Schaefer 97-171	100 1/2	+		6.58 54	496	870 B. Valley 55	760 1/2	+		
961	1260 R. Schaefer 97-171	100 1/2	+		6.58 54	497	880 B. Valley 56	760 1/2	+		
962	1265 R. Schaefer 97-171	100 1/2	+		6.58 54	498	890 B. Valley 57	760 1/2	+		
963	1270 R. Schaefer 97-171	100 1/2	+		6.58 54	499	900 B. Valley 58	760 1/2	+		
964	1275 R. Schaefer 97-171	100 1/2	+		6.58 54	500	910 B. Valley 59	760 1/2	+		
965	1280 R. Schaefer 97-171	100 1/2	+		6.58 54	501	920 B. Valley 60	760 1/2	+		
966	1285 R. Schaefer 97-171	100 1/2	+		6.58 54	502	930 B. Valley 61	760 1/2	+		
967	1290 R. Schaefer 97-171	100 1/2	+		6.58 54	503	940 B. Valley 62	760 1/2	+		
968	1295 R. Schaefer 97-171	100 1/2	+		6.58 54	504	950 B. Valley 63	760 1/2	+		
969	1300 R. Schaefer 97-171	100 1/2	+		6.58 54	505	960 B. Valley 64	760 1/2	+		
970	1305 R. Schaefer 97-171	100 1/2	+		6.58 54	506	970 B. Valley 65	760 1/2	+		
971	1310 R. Schaefer 97-171	100 1/2	+		6.58 54	507	980 B. Valley 66	760 1/2	+		
972	1315 R. Schaefer 97-171	100 1/2	+		6.58 54	508	990 B. Valley 67	760 1/2	+		
973	1320 R. Schaefer 97-171	100 1/2	+		6.58 54	509	1000 B. Valley 68	760 1/2	+		
974	1325 R. Schaefer 97-171	100 1/2	+		6.58 54	510	1010 B. Valley 69	760 1/2	+		
975	1330 R. Schaefer 97-171	100 1/2	+		6.58 54	511	1020 B. Valley 70	760 1/2	+		
976	1335 R. Schaefer 97-171	100 1/2	+		6.58 54	512	1030 B. Valley 71	760 1/2	+		
977	1340 R. Schaefer 97-171	100 1/2	+		6.58 54	513	1040 B. Valley 72	760 1/2	+		
978	1345 R. Schaefer 97-171	100 1/2	+		6.58 54	514	1050 B. Valley 73	760 1/2	+		
979	1350 R. Schaefer 97-171	100 1/2	+		6.58 54	515	1060 B. Valley 74	760 1/2	+		
980	1355 R. Schaefer 97-171	100 1/2	+		6.58 54	516	1070 B. Valley 75	760 1/2	+		
981	1360 R. Schaefer 97-171	100 1/2	+		6.58 54	517	1080 B. Valley 76	760 1/2	+		
982	1365 R. Schaefer 97-171	100 1/2	+		6.58 54	518	1090 B. Valley 77	760 1/2	+		
983	1370 R. Schaefer 97-171	100 1/2	+		6.58 54	519	1100 B. Valley 78	760 1/2	+		
984	1375 R. Schaefer 97-171	100 1/2	+		6.58 54	520	1110 B. Valley 79	760 1/2	+		
985	1380 R. Schaefer 97-171	100 1/2	+		6.58 54	521	1120 B. Valley 80	760 1/2	+		
986	1385 R. Schaefer 97-171	100 1/2	+		6.58 54	522	1130 B. Valley 81	760 1/2	+		
987	1390 R. Schaefer 97-171	100 1/2	+		6.58 54	523	1140 B. Valley 82	760 1/2	+		
988	1395 R. Schaefer 97-171	100 1/2	+		6.58 54	524	1150 B. Valley 83	760 1/2	+		
989	1400 R. Schaefer 97-171	100 1/2	+		6.58 54	525	1160 B. Valley 84	760 1/2	+		
990	1405 R. Schaefer 97-171	100 1/2	+		6.58 54	526	1170 B. Valley 85	760 1/2	+		
991	1410 R. Schaefer 97-171	100 1/2	+		6.58 54	527	1180 B. Valley 86	760 1/2	+		
992	1415 R. Schaefer 97-171	100 1/2	+		6.58 54	528	1190 B. Valley 87	760 1/2	+		
993	1420 R. Schaefer 97-171	100 1/2	+		6.58 54	529	1200 B. Valley 88	760 1/2	+		
994	1425 R. Schaefer 97-171	100 1/2	+		6.58 54	530	1210 B. Valley 89	760 1/2	+		
995	1430 R. Schaefer 97-171	100 1/2	+		6.58 54	531	1220 B. Valley 90	760 1/2	+		
996	1435 R. Schaefer 97-171	100 1/2	+		6.58 54	532	1230 B. Valley 91	760 1/2	+		
997	1440 R. Schaefer 97-171	100 1/2	+		6.58 54	533	1240 B. Valley 92	760 1/2	+		
998	1445 R. Schaefer 97-171	100 1/2	+		6.58 54	534	1250 B. Valley 93	760 1/2	+		
999	1450 R. Schaefer 97-171	100 1/2	+		6.58 54	535	1260 B. Valley 94	760 1/2	+		
1000	1455 R. Schaefer 97-171	100 1/2	+		6.58 54	536	1270 B. Valley 95	760 1/2	+		
Five to Fifteen Years											
994	944 Treasury 97-100	99 1/2	+		4.17 5.35	537	1280 B. Valley 96	760 1/2	+		
1000	945 Treasury 97-100	99 1/2	+		4.17 5.35	538	1290 B. Valley 97	760 1/2	+		
1001	946 Treasury 97-100	99 1/2	+		4.17 5.35	539	1300 B. Valley 98	760 1/2	+		
1002	947 Treasury 97-100	99 1/2	+		4.17 5.35	540	1310 B. Valley 99	760 1/2	+		
1003	948 Treasury 97-100	99 1/2	+		4.17 5.35	541	1320 B. Valley 100	760 1/2	+		
1004	949 Treasury 97-100	99 1/2	+		4.17 5.35	542	1330 B. Valley 101	760 1/2	+		
1005	950 Treasury 97-100	99 1/2	+		4.17 5.35	543	1340 B. Valley 102	760 1/2	+		
1006	951 Treasury 97-100	99 1/2	+		4.17 5.35	544	1350 B. Valley 103	760 1/2	+		
1007	952 Treasury 97-100	99 1/2	+		4.17 5.35	545	1360 B. Valley 104	760 1/2	+		
1008	953 Treasury 97-100	99 1/2	+		4.17 5.35	546	1370 B. Valley 105	760 1/2	+		
1009	954 Treasury 97-100	99 1/2	+		4.17 5.35	547</					

CANADIANS

[illegible]

MATTION SERVICE

DRAPERY AND STORES—Continued												
1971	Stock	High	Low	Open	Close	Change	Price	Volume	Value	Market	Value	Market
127	82	Perkins (D.L.)	188	-2	27	1.6	3	1	27	1.6	3	1
128	102	Perkins (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
129	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
130	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
131	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
132	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
133	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
134	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
135	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
136	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
137	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
138	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
139	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
140	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
141	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
142	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
143	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
144	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
145	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
146	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
147	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
148	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
149	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
150	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
151	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
152	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
153	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
154	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
155	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
156	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
157	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
158	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
159	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
160	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
161	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
162	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
163	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
164	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
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166	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
167	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
168	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
169	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
170	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
171	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
172	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
173	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
174	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
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177	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
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247	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
248	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16	1.9	7	1
249	102	Polyspeck (D.L.)	21	-2	16	1.9	7	1	16			

7 | ENGINEERING AND METAL—Gen. Cont.

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HOTELS AND CATERERS—Continued

[illegible]

1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971) using a Shimadzu 1010 spectrophotometer. The concentration of chlorophylls was expressed as $\mu\text{g mL}^{-1}$ of the sample.

100

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Donations urgently required by Friends Service Council, Friends House (77), Euston Rd., London, NW1 2B.

Lombard

SDR—a case of mistaken identity

BY C. GORDON TETHER

YOU can make out a case—though it would have to rely on the highly unsatisfactory proposition that two wrongs make a right—for suspending the creation of Special Drawing Rights on the grounds that the continuing rapid growth of the dollar element in the international liquidity supply has removed the need for them. What you cannot logically do is to maintain, as the French Finance Minister tried to do the other day, that the SDR is redundant because so far it has been little used in international dealings.

The Special Drawing Rights mechanism for regular annual paper-gold additions to world reserves was brought into being to guard against the possibility of the supply of liquidity failing to keep pace with the need when the "restored" international equilibrium in America's balance of payments halted the growth of the dollar portion. In the event, the Americans have stayed in major deficit.

New point

To this extent, the French have a certain justification for claiming that the relevant circumstances have changed since the arrangements for the first three annual issues of SDRs were agreed that no more should be made until the whole project has been re-examined. But the latest French attack on the SDR by Finance Minister Valéry Giscard d'Estaing did not content itself with reiterating this familiar argument. It also included the contention that, as SDRs have been relatively little used in international dealing up to now, "they should in future be distributed only to the point where the international monetary system can cope with them."

It is, of course, true that the volume of transactions in SDRs has been equivalent to only about a quarter of the \$6,500m or so the International Monetary Fund has distributed to date. But that does not mean that the international monetary system has shown itself "unable to cope with them."

The whole purpose of the reserves system is to provide countries with a means of dealing without suffering too much inconvenience, with temporary changes in their balance of payments fortunes, and the SDR system was brought into being to ensure that the supply of reserves available for providing such insurance would keep pace with a need that was being constantly increased.

Next best

One might well agree, indeed, that the story to date has shown that, far from being a drug on the international monetary system, the SDR is regarded by most countries as a more acceptable alternative to the "next best thing." And the fact that its arrival is seen as achieving an improvement in the quality of international reserves clearly has a considerable relevance to the question of whether issues should be suspended for so long as the outflow of dollars from the U.S. reduces the need for its help in enlarging the quantity of reserves.

International financial frictions in recent years have been to a large extent connected with the quality aspect of the liquidity problem. It is obvious, therefore, that pushing the SDR out of the picture to induce the renewed growth of reserve currency liquidity would be a step in the wrong direction.

THE LEX COLUMN

Trafalgar and Cunard combined

Now that a 10p higher offer from Trafalgar House—worth anything from 202p to 210p according to the terms—has the recommendation of the Cunard board, it is worth looking to the shape of the combined group. Assuming full acceptance of the basic offer, Trafalgar will, with its market purchases, have spent some £27m. for Cunard including the preference—£81m. in cash, just over £7m. in loan stock and £13m. in shares: this compares with a net worth of some £45m. for Cunard, should Trafalgar opt to write down the Cunard fleet of £75m. odd book value. The total value of the tax credits within Cunard would probably be worth more than the purchase price if immediately utilisable, which they are now. Still Trafalgar has appreciably contingent capital gains liabilities as well as £6m. of pre-tax profits last year.

Under the basic offer again, the proposed group would have a market capitalisation of £90m. at 97½p, on full dilution except for the new warrants, so that

Cunard could be said to represent just 15 per cent of the Trafalgar equity—though an obviously volatile 15 per cent. Meanwhile Cunard stands at a depressed point in the shipping cycle: for what projections are worth, one puts a £3m. profit figure to the group against last year's £2m. loss. The gamble for Trafalgar is simply a play of loss elimination and the shipping cycle against time.

Wool Textiles

After Allied Textile's remarks a couple of weeks ago about a considerable improvement in conditions, and "most encouraging" order books, the reports from Illingworth Morris and Bulmer and Lumb are decidedly deflating; neither can see more than a slight upturn in activity. Considering that turnover dropped last year in both cases—by 6 and 15 per cent. respectively—that is not much to enthuse over. Nor is the problem simply that the two groups are stuck in a declining worsted industry. The B and L knitting

yarn division trades with the booming double jersey sector, but in fact it is the weaving side which is showing the slight signs of an upturn.

However, B and L's experience probably reflects the fashion for particular types of all-synthetic yarn. The basic threat to weaving remains as knitted cloths penetrate further into the menswear field, and the moves by Allied Textile and West Riding Worsteds into knitting are logical enough.

Yet there could be a good deal of short-term scope in the traditional side. The past couple of years have seen a seasonal slimming operation in Yorkshire and with fewer weak sellers around, the upturn, when it probably arrives, should be sharp. And with a p/e of 8.5 for B and L, and 12.7 for Illingworth the shares are not asking for an unreasonable earnings improvement.

The snag with Illingworth could be that with the holding in Woolcombers now built up to 44 per cent it may be difficult for the group to take full ad-

vantage of the overcapacity (and hence poor bargaining power) in topmaking which should be good for spinners in general once volume starts to move ahead.

Johnson-Richards

H. and R. Johnson-Richards Tiles is nearly double the 1971 low at 302p, and there is nothing in the accounts to upset that kind of buoyancy. Nearly three-quarters of 1970-71's £1.68m. pre-tax, and all the growth, came in the second half. There is no noticeable seasonal pattern, yet industry deliveries of coloured glazed tiles—very roughly three-quarters of group sales by volume—only really started to shift in the home market during the final quarter. That brought a 20 per cent. volume gain, against a 5 per cent. fall over 1970. As for exports, 28 per cent. of group sales, the industry trend over the four quarters went -26, -23, -23 and plus 1 per cent. in that order: export deliveries now are running at a high level and the Australian and South African factories, 29

per cent. of sales, are also said to be doing well. Last year's profits may have been boosted by running back stocks and the average stock turn rose from 44 to 53. Yet volume remains the key for Johnson-Richards, and current demand levels coupled with a 6 per cent. price increase last month suggest a sizeable increase in 1971-72 over the annual rate in the second half of last year. A further comfort for the fully taxed historic p/e of around 134 is the fact that tiles come relatively late in the building cycle, coupled with a new element in the demand equation in the shape of sharply rising spending on housing renovation.

Louis Newmark

To forecast £750,000 pre-tax and turn in £880,000 is no mean feat but for Louis Newmark it is not one, apparently, to require explanations at this stage. The performance means a spurt to 30 per cent. profits growth in the October-March second half (adding back £75,000 for a

Rolls-Royce provision) after 9 per cent. mid-way through 1970-1971, and owes much to a distinct sales upturn in the final three to four months. That looks to have occurred in the dominant electronic component and precision engineering end, which almost certainly takes this side's contribution to total profits above the 68 per cent. of 1969-70. A stake in gears and drive shafts for the automotive industry probably helped here.

Where Newmark goes this year is hard to say ahead of the accounts. The jump of more than a third in the depreciation charge stems from a new look at write-off requirements rather than the onset of new plant. But the growing importance of the manufacturing activities (the balance is an importing business, mostly watches of questionable growth outlook) is something a p/e of 9.6 at 134p could be partly blind to. With its 15 per cent. ten year compound earnings growth record, this is just the kind of share that is moving into investment fashion.

Watney Mann ready to offer 440p a share for Truman

BY KENNETH GOODING

DOCUMENTS made available by Watney Mann yesterday showed it was ready to offer terms worth 440p a share for fellow brewers Truman Hanbury Buxton compared with the bid package worth 432p it announced at the weekend.

They also showed Watney is ready to buy up to 38 per cent. of Truman in the market—it has already acquired more than 25 per cent. by this method.

The documents give details of Watney's unusual method of financing its market purchases. This involves Watney passing Truman shares on to certain institutions at a discount if its offer is declared unconditional.

Determination

As an indication of Watney's determination to succeed in the face of bitter opposition from the Truman Board and rival bidder Grand Metropolitan Hotels, the financing scheme

speaks volumes. For effectively Watney is paying 13.5 per cent. for its money compared with less than 2 per cent. it would be charged in an orthodox underwriting operation. "The arrangement is for the institutions to take up to 1.4m. Truman shares at 350p a share up to September 2 and at 365p a share (representing a 17 per cent. discount on the current Watney offer) after that date.

Plans were made for two alternative bid packages, the one which was not used included another Watney share in place of a share in the associate company, International Distillers and Vintners. This would have made the value of Watney's offer 440p.

This explains why, although there were very few Truman shares on the market yesterday, the price went up to 440p, a gain of 5p on the day.

A spokesman for Watney's

advisers, Guinness Mahon, admitted the financing operation looked expensive, "but we had to decide at what price this could be done as it had never been done before." He added: "The additional cost is not material if it enables Watney to win this battle."

In defence of the arrangement, he pointed out that Guinness Mahon was aiming at a 10 per cent. discount on the Truman shares and that the period of financing covered a very long period of 60 days.

Meanwhile, yesterday Grand Met. was considering whether it should again raise its terms for Truman. Its advisers, S. G. Warburg, were taking the view there was no call for an instant decision on the matter.

Whitbread and Co. insisted that, in spite of Watney's higher offer, it remained in support of Grand Met.'s bid and would accept in respect of its 10.7 per cent. stake in Truman.

Warburg 'to have no ICI monopoly'

By William Low

ALTHOUGH S. G. Warburg acted as lead manager for Imperial Chemical Industries' successful £1.25m. stock D-Mark loan, the London Merchant Bank will not have a "monopoly" of the company's international business "and nor will any other bank," an ICI spokesman emphasised yesterday.

The fact that Warburg, and not J. Henry Schroder Wagg, acted as lead manager for the issue led to suggestions in international financial circles that Schroder Wagg had been dropped as ICI's international banker.

Schroder Wagg was the lead manager for the £30m. Eurobond offering by ICI last March. That issue had to be withdrawn from the market.

Relations "close"

The ICI spokesman said the company had no particular bank for its international activities.

A spokesman for Schroder Wagg said that relations with ICI "remain as close as ever" and that there was "no quarrel of any sort." Schroder Wagg, he continued, was "happy" to come into the Warburg syndicate and he gave "full credit" to Warburg.

Some bankers though consider that Warburg has scored a significant success by its handling of the sterling/D-M loan. I understand that Warburg approached ICI with the sterling/D-M formula, and ICI is pleased it has been able to raise a relatively large amount of money during difficult conditions in the international capital market.

400 jobs to go at Elliott Auto

BY DAVID WALKER

ELLIOTT Flight Automation, the avionics subsidiary of General Electric, is to reduce its 4,000-strong labour force by 10 per cent. because of the worsening state of the world aerospace industry.

The 400 men involved, most of them highly skilled, are design engineers, draughtsmen and associated clerical and administrative staff. Dismissal notices are due to be served in two or three weeks' time, following consultation with the unions involved. Since January last year the company, based at Rochester, Kent, has been operating a policy of no recruitment, which has cut its staff by 400. In April, it dismissed 100 workers engaged in more general departments.

The latest move by Elliott's foremost aerospace industry suppliers is in line with widespread cutbacks by similar companies abroad, particularly in the U.S.

An important factor is believed to be the delay in the placing of contracts for the equipment of the Multi-Role Combat Aircraft being developed jointly by Britain, Germany and Italy. Elliott Flight Automation is expected to become an important supplier and has been bidding strongly for work. Even if the bids are successful, there is little possibility of the labour force being restored to its former level.

The high degree of specialisation among many of the men being dismissed could make the finding of other jobs in a depressed industry difficult, even though attempts are being made to find them employment elsewhere in the GEC group.

70 go at IMI

At Alfreton, Cheshire, 70 of the 150 employees of IMI Alloy Steels, part of the refinery division of Imperial Metal Industries, were declared redundant yesterday. Imperial Metal said this was a result of depressed trading conditions. Previously, in an attempt to avoid dismissals, the number of shifts worked at Alfreton had been reduced.

BSA falls sharply on £3m. loss

By Kenneth Gooding

THE Stock Market reacted sharply yesterday to week-end news that Birmingham Small Arms Company, the BSA motor cycles and engineering group, made a £3m. loss last year and is in financial difficulties.

The BSA shares fell 13½p to 43½p, giving the group a market value of £65m. Millionaire industrialist Dr. Daniel McDonald said he was willing to pay 55p each for up to half the BSA shares before the losses were known but this deal is now acknowledged to be a non-starter.

A spokesman for merchant bankers, Kleinwort, which is advising Dr. McDonald, admitted: "The basis of pricing BSA has entirely changed."

Joint talks to end Swan Hunter strike

BY OUR OWN CORRESPONDENT

SWAN HUNTER management and union officials are to meet to-morrow or Wednesday in a bid to settle the unofficial strike by 2,800 ancillary workers which brought production at the group's five Tyne shipbuilding yards to a halt today the first day following the annual holiday shutdown.

The meeting follows an approach by Mr. Tom McIver, group deputy chairman, who said he was taking advantage of the union's offer of talks "at any time" to try to end the strike.

Earlier, some 7,700 other workers were sent home because of the reduced safety levels caused by the absence of the ancillary workers, who include crane-men, stagers and labourers.

In striking in support of a £4-a-week pay claim the ancillary workers are going against the advice of Mr. Ken Baker, national officer of their union, the General Shipbuilding Workers' Union.

Yesterday was urged a mass meeting to accept the £1.10 a week average increase offered by the management and to report for work to allow further negotiations to take place.

Under the latest offer top grades of ancillary workers would receive a £1.10 a week in-

crease, taking their rates to £20.17, but they are holding out for the £21.40 basic conceded recently to top ancillary grades in Tyne ship repair yards.

Production bottlenecks caused by absence of the ancillary workers had been expected to halt production within a few days of the yards' reopening after the holidays, but Mr. McIver stressed this afternoon that the yards had been closed because the stoppage had reduced safety levels.

In a prepared statement he said: "In view of the complete absence of facilities for ensuring the safe and proper continuation of work the company regrets that it must temporarily lay off all hourly-paid employees in the Tyne shipbuilding yards."

"Investigations are continuing in an attempt to resolve the situation," he added. Mr. William Porter, GMWU district organiser, to-night described the strike as "solid" with everyone out. Unless there were developments in the meantime he did not intend to call a meeting of the strikers until Friday.

Swan Hunter, which has an order book worth £200m., has lost £10m. on shipbuilding in the last two years.

Wine clearances up 30%

BY KENNETH GOODING

THE boom in wine sales continued in May, when clearances from bond rose by 31.6 per cent. on the same month last year.

The impressive way in which the wine market has performed can be judged from the figures for the first five months of 1971, which show clearances of imported wines were 13,488,000 gallons, 30.3 per cent. or 3,138,000 gallons up on the equivalent period in 1970.

Primarily responsible for the upsurge were table wines, showing an increase of 2,184,000 gallons, or 33.3 per cent., but all categories did well. High-strength wines (mainly port and sherry) were up 28.6 per cent., with sparkling wines (champagne and so on) up 18.2 per cent., or 91,000 gallons.

British wines, at 4,163,000 gallons, were 73.2, 4,000 gallons, or 21.1 per cent. up.

Mr. David Rutherford, vice-chairman of the Wine and Spirit Association, commented last night: "The figures are very encouraging. They are making obsolete the theory that wines are a seasonal market only. The public now want wine all the year round, and especially at the table. No doubt the summer wine 'coolers' are lifting consumption at the moment."

The association's analysis of figures released by Customs and Excise showed consumption of table wines up 38.1 per cent. in May at 3,083,000 gallons, and high-strength wines up 25.2 per cent. to 1m. gallons.

UCS workers set up three management committees

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, August 2.

MANAGEMENT committees have been set up at each of Upper Clyde Shipbuilders' three yards as part of the shop stewards' work in which began last Friday by manning the yard gates.

"We are not trying to usurp the management's right to run the yards normally," said Mr. James Aitrie, chairman, after a meeting of the co-ordinating committee, to-day. "But we want to ensure full consultation." He claimed that senior and middle management had joined the committees but refused to disclose names in case it "embarrassed" them.

The committee also decided to take action on the other fronts. A meeting of all West of Scotland shop stewards was called for August 10 to plan another

mass demonstration and also to find out what moral and financial support the UCS stewards could expect in their fight to retain UCS intact. The demonstration would be along the lines of one held on June 23: on that afternoon, about 100,000 workers downed tools in West of Scotland factories, with between 30,000 and 40,000 taking part in a march through Glasgow.

The financial appeal has already resulted in a £1,000 cheque which will be handed to the stewards by the Scottish miners tomorrow, and a pledge of £500 from the National Society of Operating Printers and Assistants. It is to be reinforced by factory gate meetings by senior UCS stewards. Support is also to be sought from workers south of the border.

This afternoon Glasgow Corp-

oration adopted by a 57-12 vote a resolution by the majority Labour group calling for a retention of UCS in its present form; the nationalisation of the U.K. shipbuilding industry; and a public inquiry into the UCS affair as being promoted by the Scottish TUC.

It was also announced to-night that Lord Clydesmuir, chairman of the Scottish Council (Development and Industry) will be at the talks with Mr. John Davies, Secretary for Trade and Industry, in Glasgow to-morrow. It is also to be attended by representatives from Glasgow Corporation, Glasgow Chamber of Commerce, the Scottish TUC and UCS shop stewards. Mr. Robert C. Smith, the UCS liquidator, will have talks with Sir Donald Liddle, Lord Provost of Glasgow, before the meeting.

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Weather

U.K. TO-DAY

A depression will be centred off the South-West and the mill move slowly over the British Isles. Scotland will have rain and sunny intervals. North Ireland, England and Wales have showers, some longer, breaks of rain, but also sunny intervals. Temperatures will be near or rather a normal for early August.

London, S.E., E. Anglia, E. of Midlands, Cent. S. Eng., N. Y. Rather cloudy with sun and longer periods of rain. Wind moderate. Max. 21C (70F).

Channel Is., S.W. Eng., S. Y. Rain early, then showers sunny intervals. Wind S. to moderate or fresh. Max. 20C (68F).

E., N.E., N.W. and Cent. N. Lakes, I. of Man. Bright intervals at first, but mostly cloudy with rain. Max. 20C (68F).

Borders, E. and S.W. Se. Edinburgh, Glasgow, Arg. Cent. Highlands. Sunny spells and iso showers, more cloudy later rain in places. Max. 20C (68F).

Dundee, Caithness, N.W. S. Orkney. Sunny spells, isolated showers. Max. 20C (68F).

Shetland. Cloudy at first with occasional rain and fog patches. Br. later. Max. 15C (59F).

N. Ireland. Bright intervals, mostly otherwise cloudy with some longer outbreaks of rain. 19C (66F).

Outlook: Changeable, normal temperatures.

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Bright intervals at first, but
raining mostly cloudy with s
times. Max 20C (68F).

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BUSINESS CENTRES				
		Y'day		
		Mid-day		
		C		
Amsterdam	F	21	Madrid	S
Bahrein	F	23	Mancheste	S
Belrut	F	23	Melbourne	S
Bombay	F	23	San Francisco	S
Buenos Aires	F	23	Singapore	S
Calcutta	F	23	Tokyo	S
Colombo	F	23	Yokohama	S
Delhi	F	23		
Hankow	F	23		
Hong Kong	F	23		
Kobe	F	23		
London	F	23		
Lyons	F	23		
Manila	F	23		
Medan	F	23		
Osaka	F	23		
Paris	F	23		
Rangoon	F	23		
Shanghai	F	23		
Singapore	F	23		
Tientsin	F	23		
Yokohama	F	23		

International Sporting Club Gaming Act 1968

Please take notice that on the 11th day of May, 1971, the Gaming Licensing Committee for the Petty sessions area of South Westminster in the County of London granted a Gaming Licence other than Bingo, pursuant to a Certificate of Consent issued by the Gaming Board, in respect of the premises situated at Lansdowne House, Berkeley Square, London W.1. to enable the premises to be used as a Casino by the International Sporting Club.



For membership please apply to the Secretary, International Sporting Club, Berkeley Square, London W.1. or telephone 01-629 1657.

DATED THIS 28TH DAY OF JULY 1971 L. TOBIAS DIRECTOR
A CURZON GROUP CI